

Rose H. Munsey to be postmaster at Dryden, N. Y., in place of R. F. Chappuis. Incumbent's commission expired February 4, 1924.

Medose J. Robert to be postmaster at Au Sable Forks, N. Y., in place of R. T. Kenyon, resigned.

Elmer C. Wyman to be postmaster at Dover Plains, N. Y., in place of T. P. Whalen. Incumbent's commission expired August 5, 1923.

NORTH CAROLINA.

Hilliard C. Rector to be postmaster at Marshall, N. C., in place of W. C. Pope. Incumbent's commission expired January 26, 1924.

OHIO.

Orlando W. Schwab to be postmaster at Port Washington, Ohio, in place of C. V. Wiand. Office became third class October 1, 1923.

William H. Snodgrass to be postmaster at Marysville, Ohio, in place of Homer Southard. Incumbent's commission expired February 24, 1924.

Charles E. Kniesly to be postmaster at Bradford, Ohio, in place of P. R. Hart, removed.

Rufus A. Borland to be postmaster at West Jefferson, Ohio, in place of C. E. Kubitschack. Incumbent's commission expired February 24, 1924.

La Bert Davie to be postmaster at New Lexington, Ohio, in place of E. F. Lybarger. Incumbent's commission expired February 24, 1924.

Clem Couden to be postmaster at Morrow, Ohio, in place of W. F. Eltzroth. Incumbent's commission expired February 24, 1924.

Bayard F. Thompson to be postmaster at Jewett, Ohio, in place of A. Q. Arbaugh. Incumbent's commission expired February 24, 1924.

Elizabeth I. Grimm to be postmaster at Hopedale, Ohio, in place of W. S. Eagleson. Incumbent's commission expired February 24, 1924.

Andrew L. Brunson to be postmaster at Degraff, Ohio, in place of Frank Garver. Incumbent's commission expired February 24, 1924.

Elizabeth A. Krizer to be postmaster at Bremen, Ohio, in place of E. T. Purvis. Incumbent's commission expired February 24, 1924.

Edward M. Barber to be postmaster at Ashley, Ohio, in place of C. R. Wing. Incumbent's commission expired February 24, 1924.

Arthur L. Van Osdall to be postmaster at Ashland, Ohio, in place of J. E. Gates. Incumbent's commission expired February 24, 1924.

OKLAHOMA.

John P. Jones to be postmaster at Roff, Okla., in place of W. A. Allen, removed.

OREGON.

Fred C. Holznagel to be postmaster at Hillsboro, Oreg., in place of H. A. Ball. Incumbent's commission expired August 29, 1923.

PENNSYLVANIA.

Nathaniel Shaplin to be postmaster at Windgap, Pa., in place of W. D. Werkheiser. Incumbent's commission expired February 4, 1924.

Harry E. Pote to be postmaster at Marcus Hook, Pa., in place of C. H. Casey. Incumbent's commission expired February 18, 1924.

TENNESSEE.

Alfred V. Boyce to be postmaster at Manchester, Tenn., in place of J. H. McKenzie, resigned.

Thomas W. Williams to be postmaster at Lucy, Tenn., in place of T. W. Williams. Office became third-class October 1, 1923.

TEXAS.

Llewellyn R. Atkins to be postmaster at New Boston, Tex., in place of G. W. Morris. Incumbent's commission expired November 21, 1922.

Lilburn C. Graham to be postmaster at Lancaster, Tex., in place of J. C. Hawks. Incumbent's commission expired February 24, 1924.

VIRGINIA.

David G. Snodgrass to be postmaster at Meadowview, Va., in place of D. G. Snodgrass. Incumbent's commission expired August 29, 1923.

WEST VIRGINIA.

Guy E. McCutcheon to be postmaster at Reedy, W. Va., in place of R. L. McKinley. Incumbent's commission expired February 11, 1924.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 26, 1924.

PROMOTIONS IN THE NAVY.

MARINE CORPS.

Elias R. Beadle to be lieutenant colonel.
William B. Sullivan to be major.
Harry Paul to be captain.
John P. Adams to be captain.
William K. Snyder to be captain.
William T. Evans to be captain.

POSTMASTERS.

ALABAMA.

Roy A. Lifsey, Montgomery.

COLORADO.

John C. Straub, Flagler.
Edward F. Baldwin, Nucla.

KANSAS.

Harry Morris, Garnett.
Forrest L. Powers, Le Roy.
Andrew M. Ludvickson, Severy.

MAINE.

Hugh Hayward, Ashland.
William N. Dyer, Harrington.
Grace M. Flint, Hartland.
Harry S. Bates, Phillips.
George E. Sands, Wilton.

MINNESOTA.

Eva Cole, Delavan.

NEW HAMPSHIRE.

Ruby E. Lyford, Belmont.

NORTH DAKOTA.

William H. Lenneville, Dickinson.

OHIO.

Ida H. Cline, Kings Mills.
George B. Fulton, North Baltimore.
Oliver Ferrell, Paulding.
Iris L. Bloir, Sherwood.
William S. Paisley, Toronto.
Ben F. Robuck, West Union.

SOUTH CAROLINA.

Malcolm J. Stanley, Hampton.

WEST VIRGINIA.

Fred F. Holroyd, Glen Rogers.
Willis O. Nichols, Oak Hill.
Thelma F. Settle, Page.
Orville O. Tope, Peach Creek.

WITHDRAWALS.

Executive nominations withdrawn from the Senate February 26, 1924.

MEMBER OF THE FEDERAL TRADE COMMISSION.

George B. Christian, jr., of Ohio, to be a member of the Federal Trade Commission.

PROMOTION IN THE ARMY.

COAST ARTILLERY CORPS.

Second Lieut. Bordner Frederick Ascher, Air Service, with rank from June 12, 1923, Lieutenant Ascher having resigned his commission as an officer in the United States Army.

HOUSE OF REPRESENTATIVES.

TUESDAY, February 26, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Keep us very near to Thee, blessed Lord, as we meet the duties and responsibilities of this day. May we be responsive to all that is good and true and turn aside from all that is evil and false. Be present and cause us to yield ourselves to Thy will; thus shall our examples and influences be reflections caught from Thee. Help us to learn wisdom from failure. Cheer us with the truth that he who never makes a mistake never makes a discovery. Deepen in us the virtues of reverence and gratitude and direct all the questions of our minds and the longings of our hearts. Amen.

The Journal of the proceedings of yesterday was read and approved.

IMMIGRATION.

Mr. CABLE. Mr. Speaker, the Immigration Committee has presented to the House and country a bill selective in principle, restrictive as to numbers, and humane in operation. It is intended as a permanent immigration policy of the United States. The act of 1917 is our basic immigration law. It seeks to exclude the undesirable, the physically, the mentally, and the morally unfit. The quota law, which expires June 30, 1924, as well as this bill, limits as to numbers. It applies to the nationals of the countries of Europe, Africa, Australia, New Zealand, and western Asia.

IMMIGRANT CERTIFICATES.

Under the provisions of the bill the intending immigrant must present with his passport a sworn statement as to his personal and family history, his physical condition, his ability to speak, read, and write, and his purpose of coming to the United States. For the first time in the history of our country our consul has the right to refuse to visé if in his opinion the immigrant is not admissible. The weaklings are weeded out before they start. Selection is made abroad of the best who apply. If admissible, in the opinion of the consul, the passport is viséed, and the immigrant is given an immigration certificate. Not more than 10 per cent of the total number allotted to each country may be issued in any one month, and a certificate is void two months after the date of its issue. The counting is made abroad and not at ports of entry. There will be no more racing of steamships across the oceans, as the immigrant's admission is not contingent upon the time of his arrival. This method will result in an even flow through Ellis Island throughout the entire year and thus eliminate the hardships and suffering from crowded conditions. The final inspection and medical examination will still be made at the ports of entry, but in a more thorough and careful manner.

NONQUOTA CERTIFICATES.

The bill permits and assists in the reuniting of families of American citizens. It is provided that an immigrant who is an unmarried child under 18 years of age, a father or mother over 55 years of age, husband or wife of a citizen of the United States may be admitted outside and irrespective of the quota. Application is made by the citizen to the Commissioner General of Immigration, who, if he finds it in order, shall, through the Secretary of State, authorize the consul to issue a nonquota certificate.

PERMIT.

If a resident alien wishes to visit his native land for a temporary visit, he may, before leaving, obtain a permit from the Commissioner General to reenter the country, and in such case he is not counted within the quota. At present such aliens are often prohibited by their own country from returning until the quota of his country is filled, as otherwise he is counted in the quota.

NONIMMIGRANTS.

Government officials and their families and aliens visiting the United States for business or pleasure need no certificates and are not subject to quota limitations and restrictions.

NATIONALITY.

Nationality is determined by place of birth. The bill seeks to amend the law by providing that the nationality of a minor child is fixed as that of its accompanying parent. It also provides that if the nationality of the wife is different from that of her husband, and if the quota for her country is filled, she shall be counted as of the husband's but without increasing the quota for his nation. This prevents the separation of families because of diverse nationality and quotas under the law.

PERSONS INELIGIBLE FOR CITIZENSHIP.

Immigration may be regulated by treaty or by law. I prefer the latter, as the law may be altered at any time to suit the needs of this Nation without the consent of the other country. When Roosevelt was President the Pacific coast was being flooded with Japanese laborers. The people protested. He negotiated the famous "gentleman's agreement" with Japan, not by the treaty or by law but through diplomatic communications.

This correspondence has never been published. By its terms we learn that Japan agreed to issue no passports to its nationals who are laborers seeking to come to the United States. However, their laborers do come to Mexico and are smuggled into our country over the border. President Taft altered its terms by a treaty so that the merchants and their

families of Japan are permitted to enter. No other nation except Japan is permitted to regulate immigration of her nationals to the United States. The Supreme Court of the United States recently decided that a Japanese being a member of the yellow race is not eligible to citizenship. The question resolves itself into this: Shall we admit those who by law can not become naturalized? The committee said no and so stated in their bill.

Secretary of State Hughes has suggested placing Japan on a quota basis of the census of 1890 and thus admit annually but 246 Japanese. Such an act would constitute a surrender of our Japanese policy. To recognize their right to enter is the first step toward amending our naturalization laws to permit those of the yellow race to become citizens. Besides we are not sure that the census of 1890 will be adopted. The Senate Committee last week voted for the 1910 census and this would admit six times as many. If in the future the percentage plan of regulating immigration should be repealed or extended to a later census, the United States would then have a more difficult problem to solve. America has no room for those who can not become citizens, who can not and will not adopt our institutions and ideals. We have no place for those whose loyalty and allegiance is to another. Uncle Sam has a right to limit his household, both in numbers and in nationality.

ALIEN SEAMEN.

Several thousand aliens enter the United States unlawfully under the provisions of the seamen's act. By the terms of the proposed immigration bill it is the duty of the owner or master of the vessel upon arrival to hold on board, under penalty, all alien seamen until there may be a personal physical examination by the medical inspectors. If found to be admissible, each seaman is given a landing card for his temporary stay in the United States. If he stays beyond the expiration of the time stamped on the landing card, he is subject to arrest and deportation.

TWO PER CENT INSTEAD OF THREE PER CENT.

The present law calls for a 3 per cent quota. The proposed bill reduces the number to 2 per cent on 1890 census, or from 357,803 to 170,000. There are many reasons for this reduction, chief of which is the fact that we need no additional labor. There is to-day a large number of unemployed. This statement is based on reports received by the Department of Labor from their representatives stationed in every State in the Union.

Mills are closing and the workers are unable to find employment elsewhere. Many railroad and other shops and factories are being operated on part time a few days a week. From Massachusetts, for example, there comes the report that there is a slackening of industry and unemployment is on the increase. Nearly all of the textile mills are operated on part time and with reduced forces. There is not sufficient employment in other lines to absorb this surplus.

In Ohio there are a great many without work. In Pennsylvania there is a surplus in all classes of skilled mechanics as well as common labor. In the Philadelphia district a large number of married women have been seeking employment because their husbands are out of work. In the West the farm-labor supply is more than sufficient to meet the demands.

The United States has passed the point of assimilation. Of the 14,000,000 of foreign born residing here less than half are American citizens. The naturalization process averages 10 years. One and one-half million of our foreign population can not speak English. Alien colonies have sprung up in the large cities, where the circulation of foreign press papers runs into 6,000,000. Seventy-five per cent of those who come from other countries to the United States live in large cities. The population in many cases is one-third foreign born. In the States of New York, New Jersey, and Pennsylvania 35.4 per cent of the male population 21 years of age and over is foreign born; in the New England States 38.2 per cent; in Massachusetts, 41.9 per cent; Boston, 46.3 per cent; and in New York City, 53.4 per cent. These large alien colonies still hold to their foreign ideas and institutions. Our Nation is dotted with unassimilated groups—"alien islands" they may be called. It is thus necessary to reduce immigration.

Without restriction we would have a veritable migration of people from Europe. We have no work for them, no homes for their families, and no schools for their children. Conditions here are already crowded.

Mr. Nathan Grosshandler, of Youngstown, Ohio, was a witness before our committee. He is a publisher of several papers, two of which are in the foreign-language list. Last summer he visited Europe to study immigration. He himself had come to this country as an immigrant.

Part of Mr. Grosshandler's testimony was as follows:

I was in Bulgaria, Croatia, Serbia, Rumania, Czechoslovakia, Hungary, Austria, Poland, France, London, and God knows I was traveling so fast and working so hard that often after every two hours of travel I was in a different country. I was primarily interested, Mr. Chairman, in the countries that we have drawn labor from—Austria, Hungary, Italy, Czechoslovakia, Poland, Yugoslavia, and Rumania. * * *. Then, of course, I may make it broader, so it will give you a conception and give you the psychology of the masses that prevail in Europe to-day. I might just as well say to you honestly, you ask a hundred men if they want to come to America and you get a response ninety-nine times out of a hundred that they want to come to America. Those are the conditions. When you meet these conditions, Mr. Chairman, you have no more questions to ask, because everybody wants to come to America.

I quote also from Mr. Lothrop Stoddard, of Brookline, Mass.:

As I say, the number of people who desire to come to America is practically limitless. They must be numbered, taking Europe and the Near East together, literally by the tens of millions, and that pressure will increase, in my opinion, in the next 10 years. In other words, we have not a temporary condition but we have a permanent condition that is facing us in regard to the pressure of immigration, a waxing rather than a waning factor. And whatever dikes we set up against that flood, the pressure will be so great that, in my opinion, only legislation of a drastically restrictive nature, with no loopholes, will suffice to keep out the floods of people, largely of an undesirable character, and every loophole, in my opinion, must be carefully plugged, because it is a law of hydrodynamics that if you have a dike subjected to a great pressure the slightest crack in the dike will be sufficient to let the flood through.

Mr. Stoddard testified that he visited England, France, Germany, Switzerland, Czechoslovakia, Austria, Hungary, Yugoslavia, Bulgaria, Turkey, Syria, Palestine, Transjordan, Egypt, and Italy, and that he made the same inquiries of the nationals of every nation that he visited.

Our duty lies first with the foreign born who are here. It begins rather than ends with their admission. Close to 7,000,000 are not American citizens. The facilities of an education should be extended to them. Give them a chance to study. Open our night schools to the men. Send trained teachers into the homes for the women, for the wife and mother can not always leave her household duties to attend the evening schools. Permit them to learn our language, our history, and the ideals of this Nation, the duties and benefits of citizenship. It means the building of a bigger and a better America.

Further restriction of immigration is necessary because of the increase in the population of those who are here. The Bureau of the Census estimated that in 50 years hence we will be a Nation of 183,000,000, and in 100 years we will be one of 254,000,000 of people. There is no new land in the world to which our people, because of overpopulation, can migrate.

THE CENSUS OF 1890.

The present quota law is based on the census of 1910. The bill changes this to 1890, resulting in a reduction of the number of quota immigrants who may come from the south and east of Europe. A cry of discrimination has been raised because of this change. The quota of a country should not be determined by the number of foreign born who may happen to be here at a particular time, but should be based on the entire racial composition or cross section of our population. Each country should be entitled to a quota on the basis of the national stock of that country in the United States as it bears to our total population. This is clearly explained in an article appearing in the New York Times, March 1, 1924, written by Mr. F. H. Kinnicutt, of that city, a student and an authority on immigration problems, part of which is as follows:

I should like to point out that a careful study of the census figures shows that the discrimination is not in the proposed quotas, but in the existing quotas. The present law bases the quotas on the enumeration in the census of 1910 of the foreign born of each European country then alive in the United States, and takes no account of the racial elements by stocks in the country to-day. According to that law it is only the number of actual immigrants from each quota country here in 1910 which determines the quotas. No credit is given to any country by reason of the fact that the number of persons derived by descent from that country is greatly in excess of those who actually immigrated thence in the present generation. For instance, under the law of 1890 the joint quota for Great Britain and Ireland is 77,342. If it were apportioned according to the census figures of 1910 between England, Scotland, and Ireland, respectively, the quota of England and that of Scotland would be less than the quota of Russia, Poland, or Italy. In fact, during the last fiscal year in which the British and Irish quotas were exhausted before the end of the year fewer immigrants were allowed

to enter the United States from England, fewer from Scotland, and fewer from Ireland than were permitted to enter from either Russia, Poland, or Italy. This result is certainly extraordinary. It amounts to a clear discrimination against the very peoples who principally settled the American Colonies and founded our civilization, and whose descendants constitute at least 50 per cent of our present white population, in favor of peoples who have only come in any numbers to the United States within the last 30 years.

Perhaps the greatest need in immigration legislation to-day, and certainly one of the prime considerations in the minds of Members of Congress in framing the pending bill, is the maintenance of at least that degree of racial homogeneity which the American people possess to-day. Judged by this principle, it is the present law—not the pending bill—which is open to objection. The former gives 44.6 per cent of our total quota immigration to the countries of Southern and Eastern Europe, including Asiatic Turkey and Palestine—an amount vastly in excess of what they could claim on any theory of proportional representation by races, with reference to the racial elements in our present population.

This will appear from an examination of the official figures of the 1920 census, which show that the total number of people of foreign stock in the United States in that year derived from the countries of southern and eastern Europe (including Asiatic Turkey and Palestine) is approximately 12,266,115, or 11.7 per cent of the total population of the United States in 1920. The above figure is reached by adding to the number of the foreign born from those countries the number of native born both of whose parents were born in those countries and one-half of the native born one of whose parents was born in those countries. Under the provisions of the Johnson-Lodge bill, 15.3 per cent of the total quota immigration would be apportioned to these same regions in southern and eastern Europe and near Asia. Obviously, this would be a liberal allowance, but in addition thereto the "newer immigration" would get the lion's share of the exemptions for near relatives of United States citizens, who, under the new bill, are exempted from quota restrictions. It is clear that the newer immigration, represented by the great wave from southern and eastern Europe since 1900, must have many more of these near relatives than the representatives of the older immigration now alive in this country, most of whom came over before 1900. It may incidentally be noted that the total number of foreign born from southern and eastern Europe alive in the United States to-day is only 6,422,727.

The figures given above show indisputably that the charge of unfairness and discrimination, as applied to the pending bill, which bases the quotas on the census of 1890 is entirely unfounded. That bill, in fact, merely preserves the racial status quo in the United States with respect to immigration more nearly than can be done by taking any other census as the basis. In other words, the proposed legislation, far from being aimed at any particular race, is based on broad considerations of public policy and the welfare of the country as a whole.

We should not disregard the descendants of those immigrants who settled our country, who fought bloody battles with the Indians, who won independence, formulated our Constitution, and developed this country across the Alleghenies and the Rockies to the Pacific coast. I refer to the Scotch, the Irish, the Welsh, the English, the Dutch, the Germans, and the French. Immigration from those countries began with our Colonies and continued ever since, but decreased in large numbers prior to 1910. The use of that census discriminates against their nationals. The foreign born from Ireland decreased over 500,000 in number between 1890 and 1910, and the foreign born from Germany decreased 474,000 in a like period of time. The coming in large numbers of the new immigration checked the flow of the old. The 1890 census is the one that gives to the nationals of all countries the fairest proportion of immigration based on the racial stock of those already here. In addition I call attention to the fact that Italy as a nation regulates her emigration. She permits her men to come here while prohibiting the wives and families. The provisions in the bill admitting fireside relatives of American citizens outside of the quota will reunite more families coming from southern and eastern Europe than the rest of quota countries.

This country clearly has a right to regulate immigration, to say who may come and who are not desirable. Certain foreign countries have deliberately given passports to such of their nationals as they wish to get rid of, and we have been taking them as immigrants. Experience has taught us that it is impossible to colonize our farm land.

Canada has attempted this, with the result that while 88,000 were encouraged to immigrate to that country last year and settle on the farms, yet in the same period 117,000 left Canada for the United States. The farmers in America do not need additional farm labor so much as they do a price for their products commensurate with the price they must pay for the articles they purchase. There is a surplus of farm products in

the United States to-day. A large influx of immigrants to work on the farms might cut the cost, but it would not increase the price received and therefore would not benefit the farmers, besides such a proposition would be used as a subterfuge, as the immigrant nine times out of ten would move from the farm into the city. To compel him to remain on the farm under threat of deportation would constitute a form of peonage and we have no room in America for that.

We should not permit foreign Governments and their representatives in this country to dictate to us in the matter of voting for a good, selective, restrictive, and humane immigration bill. In the words of our President—

American institutions rest solely on good citizenship. They were created by people who had a background of self-government. New arrivals should be limited to our ability to absorb them into the ranks of good citizenship. America must be kept American.

ADJUSTED COMPENSATION.

Mr. HOWARD of Nebraska. Mr. Speaker, I ask unanimous consent that I may have reproduced in the Record a series of resolutions adopted by the Chamber of Commerce of Auburn, Nebr.

Mr. SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the Record for the purpose indicated. Is there objection?

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, I did not catch the request of the gentleman.

Mr. HOWARD of Nebraska. It is so very odd I feared it might meet objection. It is a series of resolutions by a chamber of commerce actually in favor of the adjusted compensation bill. It is the only one of its kind in the world, and I wanted it to appear in the Record. [Laughter.]

Mr. LONGWORTH. The gentleman's appeal touches my heart, and I shall not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD of Nebraska. Mr. Speaker, under permission of the House I insert herewith as a part of my remarks the following resolutions:

OFFICE OF CHAMBER OF COMMERCE,
Auburn, Nebr., February 20, 1924.

Resolution.

Whereas adjusted compensation is an obligation owing from the United States Government to the former soldiers of the World War, long past due and unpaid; and

Whereas it is our judgment that adjusted compensation can be paid and Federal taxes at the same time be reduced; and

Whereas methods used by the forces opposing the enactment of the adjusted compensation bill are in our opinion unjustified, unfair, and un-American: Therefore be it

Resolved, That the Chamber of Commerce of Auburn, Nebr., hereby heartily indorses and urges the Members of Congress and Senators from the State of Nebraska to exert every effort to bring about the immediate passage of the American Legion fourfold adjusted compensation bill; and be it further

Resolved, That said Chamber of Commerce condemns tactics of selfish interest in seeking by forced propaganda and unfair methods of coercion to bring about the defeat of the adjusted compensation bill.

C. A. SOUDERS, President.
H. HEMMINGSEN, Secretary.

UNITED STATES HOSPITAL SERVICE.

Mr. SEARS of Florida. Mr. Speaker, before this debate becomes partisan I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Florida asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. SEARS of Florida. Mr. Speaker, the tendency of the time seems to be to cast slurs upon those in public life. Criticism is passing to and fro, but I believe in giving credit to those to whom credit is due. It is natural for me to repeat it, because, as I have said several times, and my Republican friends know it, I am a partisan Democrat. However, when anyone is entitled to credit, I feel they should have that credit. I read a few days ago a very short statement written by one of the best newspaper writers in my State, if not in the South, a young man who served in the war, in which he congratulated the Congress and the Government upon the present way our hospitals are being conducted. In order that those who are now in charge of the Veterans' Bureau may know that at least one ex-service man appreciates what has been done for him, without taking up any further time, I ask unanimous consent

that I may include this short article as an appendix to my remarks.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

The newspaper article referred to is as follows:

NEWSPAPER MAN OUT OF HOSPITAL—FRANK L. HUFFAKER, OF TAMPA, PRAISES UNITED STATES VETERANS' BUREAU.

[From the Jacksonville Times-Union, February 20, 1924.]

Fully recovered from a physical breakdown resulting from spinal injury received while serving in the American Tank Corps in France, Frank L. Huffaker, of Tampa, for years one of Florida's best known newspaper men, reached Jacksonville Monday from Gulfport, Miss., where he has been undergoing treatment at one of the numerous veterans' hospitals of the Nation. He spoke with characteristic interest of his experiences, and particularly of the determined and increasingly effective efforts being made for rehabilitation of disabled veterans by the United States Veterans' Bureau and medical men cooperating with that organization.

"Were I to write the story of these hospitals, large and small," said Mr. Huffaker, "I'd do so under the heading, 'Cities of hope-deadened men.' This for the reason that thousands of these nerve-tied and otherwise disabled fellows, in spite of their efforts to express their ideals and earn livelihoods without Government support are, like too-tightly reined horses, thrown backward to find not treatment alone but food and beds as well in the Government hospitals, the efficiency of which is steadily growing. But for these places of refuge thousands of veterans, including much decorated men, would be better off had they been left on Flanders fields. Chief aids of the personnel of all these hospitals are the 'little mothers' of the 'greatest mother in the world,' the American Red Cross Society, and the equally capable and willing 'little fathers' of the Knights of Columbus. I only wish the American people could realize the noble and effective work representatives of these organizations are doing.

"The experiences of these men, a majority of whom suffer stoically and with an ever-ready display of good humor, was never so thoroughly typified to me as during memorial services held in honor of Woodrow Wilson in the Red Cross recreation hall at the Gulfport Hospital. I visualized the herculean efforts of that great soul to cast aside the shackles of a broken body in a last effort to thrust forth a world ideal, and then I realized that my fellow patients and therefore his minions in lesser degree were passing through the same throes because of their efforts to 'make the world safe for democracy.'"

EX-ATTORNEY GENERAL GREGORY.

Mr. CONNALLY of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting therein a statement which was handed out at the White House some time ago, including a letter from ex-Attorney General Gregory to the President, and the President's comment thereon. My warrant for asking this is that the gentleman from Ohio [Mr. FOSTER] some week or 10 days ago made some remarks in the House that seem to reflect on ex-Attorney General Gregory, and I think it is fair that this statement which was handed out at the White House be inserted in the Record.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. Mr. Speaker, under the leave granted to me to extend my remarks in the Record I beg to submit the following:

On February 1, 1924, the gentleman from Ohio [Mr. FOSTER] addressed the House and discussed the Teapot Dome and Doheny oil leases on the naval oil reserves. In the course of his remarks the following transpired:

Mr. FOSTER. When it is rumored that the President of the United States consults a Democratic member of the Supreme Court of the United States, and who recommends to him another Democrat from your State—a former Attorney General—and it then develops that such former Attorney General was an attorney for the Doheny interests, then President Coolidge should not appoint former Attorney General Gregory.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. The Democrats would have picked some attorney wholly disconnected with oil leases.

Mr. LONGWORTH. I have just read a statement from the White House that the President is not going to appoint him. [Applause.]

In justice to Hon. T. W. Gregory, former Attorney General of the United States, to whom reference was made by the two

gentlemen from Ohio, it is only fair that the RECORD should contain the letter from Mr. Gregory to the President on the subject, and the President's comment thereon, as contained in a statement issued at the White House on February 2, 1924. They are as follows:

FEBRUARY 2, 1924.

Mr. President, on last Tuesday night, when I was in Austin, Tex., you stated to me over the long-distance telephone that you wished to employ me in the investigation of the leases of the naval oil reserves. You will recall that after expressing my appreciation I stated that I was not in close touch with the developments in the matter; that nothing occurred to me that would prevent me from serving, but that I would be in Washington Saturday afternoon—to-day—and would then confer with you on the subject. I had no idea that in saying this I was accepting an appointment or that you so understood it. I assumed that that would be decided when we conferred, and that in the meantime I would have an opportunity to go through my books and correspondence to see whether in the course of my private practice I had ever had any employments which might stand in the way. It was also my desire, before definitely committing myself, to confer with Senator WALSH of Montana, who has conducted the investigation of the Senate committee. I was very much surprised to read in the Texas newspapers the next morning that I had been appointed, but did not feel at liberty to make any public statement, and consistently declined to do so until I had seen you.

Of course, if it had been in my mind at the time of our telephone conversation that I had been employed by Mr. Doheny, directly or indirectly, or at any time, near or remote, that would have ended the matter at once, because I would have realized that however free from criticism such employment might have been, it would have disqualified me from acting as your counsel on the present occasion. I have no recollection of having seen or communicated with Mr. Doheny in my life, and at that time did not recall ever having had any business connection with him or with any company controlled by him.

I returned to Washington as quickly as possible, for the purpose of keeping my engagement with you, and arrived here this afternoon.

Yesterday while on the train my attention was called to a statement made the day before to the Senate Public Lands Committee by E. L. Doheny, to the effect that his company and several others employed me "to represent them before the President in regard to getting permits to drill oil wells in Mexico," and that "the Island Oil Co. billed us for \$2,000 as our share of the fee that they paid Judge Gregory for this particular work."

I would have been at a loss to know what he was referring to except for his mention of the Island Oil Co. I remembered perfectly my employment by that company, although some of the details had passed out of my mind. I have now refreshed my recollection by examining data in my office. The facts are as follows:

In the fall of 1919 the firm with which I was then associated had among its regular clients the Island Oil & Transport Co., which is evidently the Island Oil Co. referred to. It was a small independent company without any connection whatever, so far as I have ever known, with either Mr. Sinclair or Mr. Doheny.

The Island Co. asked me to act for it in the concerted effort then being made by American oil companies to get the State Department to take action to prevent the threatened confiscation of their properties in Mexico, the Carranza government having refused to grant them permits to drill on their own property unless they accepted the provision of the new constitution vesting title to oil and other minerals in the Government.

The purpose was to secure some character of diplomatic action by the United States Government which it was hoped would place American oil companies on the same footing as those of Great Britain, the latter having been allowed to continue development. The facts in regard to all the interested companies were about the same, the law as to all was the same, and there was general cooperation among them in attempting to obtain relief.

I gave the matter attention for some months, and the Mexican authorities finally extended to the American companies the privilege enjoyed by those of Great Britain.

This result was brought about in December, 1919, or January, 1920, and my employment in the matter ended then and there. I rendered a bill to the Island Co. for \$15,000, which it paid.

At some stage of the transaction the Island Co. stated that the work I did redounded to the benefit of other companies besides itself, and that, it being a small company, it would try to induce several of the others similarly situated to make contributions to the fee charged. I understood that some of them did so. The Huasteca Petroleum Co., which was controlled by Mr. Doheny, was one of these, and no doubt paid the Island Co. the \$2,000 referred to by Mr. Doheny.

This phase of the matter had entirely passed out of my mind. But even at the time I never thought of my employment as an employment by Mr. Doheny or his company, and he evidently did not, as his testimony before the Senate committee, as reported in the press, is to the

effect that he knew nothing about my connection with the transaction until within the last few days.

I have never felt that the transaction involved the slightest necessity for apologies, nor even for explanation, but for the unusual conditions which have arisen.

It is obvious, nevertheless, that the fact that one of Mr. Doheny's companies bore a part, however indirect and however small, of the expense of my employment by the Island Co. makes it inappropriate for me to act as your counsel in this matter.

Respectfully yours,

T. W. GREGORY.

To the PRESIDENT.

STATEMENT FROM THE WHITE HOUSE FEBRUARY 2, 1924.

The attached letter was made public at the White House to-day, accompanied by the following statement:

FEBRUARY 2, 1924.

The statement in the letter of Mr. Attorney Gregory to me regarding the conversation between him and me over the telephone and the inferences to be drawn from it are correct.

CALVIN COOLIDGE.

It will be noted from the correspondence set out above that Mr. Gregory, in the long-distance conversation referred to, was not employed by the President to conduct the prosecutions in connection with the leases on the naval oil reserves, and that it was not understood by the President that Mr. Gregory had agreed to accept such employment conditionally, but that the only agreement arrived at was that the President and Mr. Gregory should confer upon the arrival of Mr. Gregory in Washington on February 2. On February 1, at the very moment the gentleman from Ohio [Mr. FOSTER] was making his address, and at the very moment when the gentleman from Ohio [Mr. LONGWORTH] was making the statement that he had just read a statement from the White House that the President was not going to appoint Mr. Gregory, the ex-Attorney General was on the train en route to Washington, approximately a day's journey from the Capital.

The statement of the gentleman from Ohio [Mr. LONGWORTH] coming as it does from the Republican floor leader in the House of Representatives, and quoting a statement from the White House, must be deemed as authoritative. Its significance, however, lies in the fact that the White House gave out a statement to the effect that the President was not going to appoint General Gregory without consulting him, and without waiting for the conference which had been agreed upon between them. It seemed subject to the inference that the haste of the White House had been the cause of doing an injustice to Mr. Gregory, in thus terminating the matter without giving him an opportunity on his own accord to decline the employment, which he did upon arrival in Washington, at his conference with the President.

Mr. Gregory is a distinguished citizen of Texas, and for many years has occupied and now occupies an enviable place at the bar of that State. He served as Attorney General of the United States and his administration of that high office was characterized by great ability and by unflinching fidelity to the public interest. Both in public and in private his conduct in the practice of law has always been in accord with the highest and purest standards of professional honor and ethics. Though he declined employment in the naval oil reserve lease cases, through a fine sense of propriety, it may be said that had he accepted employment the Government would have had an able, fearless, honorable, and thoroughly ethical representative of its interests, capable of meeting any adversary in any forum.

RECKLESS DRIVING OF AUTOMOBILES.

Mr. LITTLE. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

Mr. GREEN of Iowa. Mr. Speaker, reserving the right to object, I shall not object to the gentleman having this opportunity, but I shall object to anything further.

The SPEAKER. Is there objection?

There was no objection.

Mr. LITTLE. Mr. Speaker, I would not have brought this up, but it is a matter of life and death. There are too many people killed around here by automobiles. I want to cite this situation to the House. This morning a poor woman in the employ of this House was, about 5 o'clock, going to her work. She got off the street car at the main door and a Cadillac machine, operated by two men, came by at 50 miles an hour and hit her. It dragged her for a block and a half, left her in a pool of blood on First Street, with one broken leg and one broken arm, with

probably death hanging over her, and got away. I have introduced a resolution to offer \$500 reward for the arrest and conviction of the drivers of the car, which I hope in due time will come before the House. I call the attention of the House to the absolute and almost total indifference to human life among the automobile people around this town.

I think that this poor woman is entitled to just as much protection as the Speaker would be, and I hope the House will take advantage of this opportunity to offer this small reward so as to catch them. I think I know how to get detectives after them.

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield?

Mr. LITTLE. Yes.

Mr. FREAR. Mr. Speaker, believing this to be an important subject of discussion, I make the point that there is no quorum present. I think the point should be made at this time.

Mr. LINTHICUM. I want to say to the gentleman from Kansas that the best way to protect human life in the future is for the District of Columbia to adopt some title system for automobiles, so that they can not be transferred promiscuously from one person to another without some record being made.

LEAVE OF ABSENCE.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent that my colleague, Mr. Kopp, be excused for the day.

The SPEAKER. The gentleman from Iowa asks unanimous consent that his colleague, Mr. Kopp, be excused for the day. Is there objection?

There was no objection.

NO QUORUM—CALL OF THE HOUSE.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Berger	Dominick	Kent	Rouse
Britten	Eagan	Kopp	Stalker
Burton	Edmonds	McFadden	Strong, Pa.
Carew	Fredericks	MacLafferty	Sullivan
Carter	Free	Martin	Taylor, Colo.
Cole, Ohio	Funk	Miller, Ill.	Thomas, Ky.
Corning	Geran	Moran	Tydings
Cramton	Gifford	Nolan	Vare
Cullen	Hayden	Porter	Vinson, Ga.
Curry	Hull, William E.	Reed, W. Va.	Wilson, La.
Dempsey	Kahn	Romjue	Winslow

The SPEAKER. Three hundred and eighty-seven Members have answered to their names. A quorum is present.

Mr. GREEN of Iowa. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

The doors were opened.

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled House joint resolution of the following title:

H. J. Res. 160. Joint resolution to provide an appropriation for the prosecution of suits to cancel certain leases, and for other purposes.

REVENUE ACT OF 1924.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the revenue bill. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. GREEN of Iowa. Mr. Chairman, during the discussion that occurred last evening on the amendment I offered with reference to the gift tax it became fairly apparent, as I thought, that the House was not disposed to agree to the rates I presented in that amendment, but it also seemed to me that the Members of the House were disposed to agree to similar rates with similar intentions to those imposed upon inheritances. I, therefore, Mr. Chairman, withdraw the amendment which I offered last evening and will offer an amendment in place of it.

Mr. MILLS. Mr. Chairman, the gentleman, I take it, asks unanimous consent.

Mr. GARNER of Texas. The gentleman has the right to withdraw it.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw the amendment referred to. Is there objection?

Mr. GREEN of Iowa. I will ask unanimous consent.

Mr. TILSON. I have no objection to the gentleman withdrawing it by unanimous consent, but he has not the right to withdraw without the consent of the committee.

The CHAIRMAN. The Chair understands the gentleman has not the right to withdraw it without the consent of the committee, but the gentleman asks unanimous consent to withdraw his amendment. Is there objection?

Mr. MILLS. Reserving the right to object, Mr. Chairman, do I understand that the gentleman from Iowa, having submitted the well-considered and thought-out plan that he submitted last evening, now proposes to withdraw it and offer another?

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

Mr. MILLS. Do I understand that he now desires to withdraw that and offer a substitute?

Mr. GREEN of Iowa. If the gentleman from New York would spare his sarcasm, I would say, "Yes."

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GREEN of Iowa. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 150, after line 24, insert a new section as follows:

"SEC. 319. On and after January 1, 1924, a tax equal to the sum of the following is hereby imposed upon the transfer of property by gift, whether made directly or indirectly, by every person, whether a resident or nonresident of the United States:

"One per cent of the amount of gifts not in excess of \$50,000;

"Two per cent of the amount by which the gifts exceed \$50,000 and do not exceed \$100,000;

"Three per cent of the amount by which the gifts exceed \$100,000 and do not exceed \$150,000;

"Four per cent of the amount by which the gifts exceed \$150,000 and do not exceed \$250,000;

"Six per cent of the amount by which the gifts exceed \$250,000 and do not exceed \$450,000;

"Nine per cent of the amount by which the gifts exceed \$450,000 and do not exceed \$750,000;

"Twelve per cent of the amount by which the gifts exceed \$750,000 and do not exceed \$1,000,000;

"Fifteen per cent of the amount by which the gifts exceed \$1,000,000 and do not exceed \$1,500,000;

"Eighteen per cent of the amount by which the gifts exceed \$1,500,000 and do not exceed \$2,000,000;

"Twenty-one per cent of the amount by which the gifts exceed \$2,000,000 and do not exceed \$3,000,000;

"Twenty-four per cent of the amount by which the gifts exceed \$3,000,000 and do not exceed \$4,000,000;

"Twenty-seven per cent of the amount by which the gifts exceed \$4,000,000 and do not exceed \$5,000,000.

"Thirty per cent of the amount by which the gifts exceed \$5,000,000 and do not exceed \$8,000,000.

"Thirty-five per cent of the amount by which the gifts exceed \$8,000,000 and do not exceed \$10,000,000.

"Forty per cent of the amount by which the gifts exceed \$10,000,000.

"SEC. 320. The amount of the gifts subject to the tax imposed by section 319, in the case of residents, shall be the sum of all the gifts made by such resident during the calendar year, and in the case of nonresidents the sum of all gifts so made of property situated within the United States. If the gift is made in property, the fair market value thereof at the date of the gift shall be considered the amount of the gift subject to the tax.

"Where property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 319, be deemed a gift and shall be included in computing the amount of gifts made during the calendar year.

"Sec. 321. For the purpose of this tax the amount of the gift subject to the tax imposed by section 319 shall be determined—

"(a) In the case of a resident, by deducting from the total amount of such gifts—

"(1) An exemption of \$50,000;

"(2) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

"(3) Gifts the aggregate amount of which to any one person does not exceed \$500.

"(b) In the case of a nonresident, by deducting from the total amount of such gifts—

"(1) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

"(2) Gifts the aggregate amount of which to any one person does not exceed \$500.

"Sec. 322. In case a tax has been imposed under section 319 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of this title to be included in the gross estate of the decedent then there shall be credited against and applied in reduction of the estate tax, which would otherwise be chargeable against the estate of the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 319 with respect to a gift or gifts which upon the death of the donor must be included in his gross estate and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears or bear to the total amount of gifts in that year.

"Sec. 323. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts of an aggregate value in excess of \$10,000 shall, on or before the 15th day of the third month following the close of the calendar year, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions by him made during such calendar year, and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

"Sec. 324. The tax imposed by section 319 shall be paid by the donor on or before the 15th day of the third month following the close of the calendar year, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301."

Mr. GREEN of Iowa. Mr. Chairman, this amendment is identical with the one which I offered last evening with the exception of a change in the rates and another change which I shall mention. The rates are made the same as in the inheritance tax, with an exemption of \$50,000 to start with and then graded up by the same progression as in the tax upon inheritances. I have also made one further change, that of exempting entirely gifts to a single person to the extent of \$500, made during the year, which Members of course understand would exempt such persons, no matter how many there were of these different persons. I have included this exemption for the purpose of avoiding any objection on the ground that the tax otherwise might apply to small charities and bonuses given by certain business concerns, or anything of that kind, although the exemption of \$50,000 would be likely to be sufficient for that purpose.

Having made this statement, Mr. Chairman, I will now listen to the "carefully considered" objections of the gentleman from New York [Mr. MILLS].

The CHAIRMAN. The gentleman from New York is recognized.

Mr. MILLS. Mr. Chairman, it is, of course, impossible to make carefully considered objections to a measure which is submitted to you one minute before, and I do not propose to do so. But I want to congratulate the nominal chairman of

the Ways and Means Committee on having obtained the consent of the acting chairman of the Ways and Means Committee and leader of this House to pass this amendment.

On yesterday the gentleman from Iowa introduced one of his pet measures, the so-called gift tax, and the gentleman from Texas [Mr. GARNER], the real leader in the matter of revenue legislation [applause], got up and informed the gentleman from Iowa that the form in which he submitted the amendment was unsatisfactory to him. Whereupon the gentleman from Iowa consulted the gentleman from Texas; the gentleman from Texas then rewrote the amendment for him [applause], and now having obtained the Garner stamp of approval, it is brought to the House this morning.

I want to say to my friend from Texas that I think he has much improved the amendment. As offered by the gentleman from Iowa yesterday this ridiculous situation might occur: A man might give his son \$10,000 to set him up in business the first of the year, and thereupon—throughout the year, if you please—if he gave two pencils to his little daughter with which to go to school he would have to make a note of it and pay a tax; if he took his wife to the theater at any time during that year he would have to note that he paid \$2 for the theater ticket and paid the tax, and every tip given to a bell boy or waiter would have to be carefully noted and be subject to the tax.

Of course, acting under the guidance and suggestions of the distinguished gentleman from Texas—who can improvise a tax law on the floor of this House, and he has done so in the last week [laughter and applause]—the matter is in fair shape.

I want to point out to the gentlemen of this House that that is exactly what we are doing. If the gentleman from Texas were the chairman of the Ways and Means Committee he would not introduce a gift tax or an inheritance tax without holding hearings, considering the matter, and submitting a report to this House; but as we are doing business to-day the gentleman from Texas has all the power, apparently, of the leader of a majority party without recognizing any of its responsibilities. [Laughter.] And, therefore, he has undertaken to write a revenue bill on the floor of this House. He has done so. That is the bill we are going to be called upon to vote on this week—not the bill reported by the committee, because this does not vaguely resemble the bill reported by the Ways and Means Committee, but is a bill written on the floor of this House by improvisation. You have heard of great musicians sitting down at a piano and improvising a tune. The gentleman from Texas sits at that table and improvises a revenue law and the House is asked to adopt it.

Why, gentlemen, in the future, if this practice is to be followed, this is what I would suggest: That the Ways and Means Committee report a bill with only the title, and that thereupon each Member of the House shall write on his cuff what he deems to be a wise measure of taxation; that the cuffs shall be handed to the gentleman from Texas and with his O. K. they shall be handed in at the desk and then voted on cuff by cuff. [Laughter and applause.]

Now, there are some obvious objections to this method of procedure—

Mr. LONGWORTH. Will the gentleman yield?

Mr. MILLS. Yes; I yield to the gentleman from Ohio.

Mr. LONGWORTH. In view of the action of the recent Democratic caucus, might not a collar be more suitable? [Laughter and applause.]

Mr. MILLS. I accept the suggestion. Now, as I say, there are some very obvious objections to this method of procedure, and before the gentleman from Texas gets through—

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for such time as he desires. [Applause.]

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from New York may proceed for such time as he may require.

Mr. BLANTON. Mr. Chairman, I make the point of order that that is out of order.

Mr. GREEN of Iowa. Then, Mr. Chairman, I withdraw that request and ask unanimous consent that the gentleman from New York may be permitted to proceed for 10 additional minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from New York may proceed for 10 additional minutes. Is there objection?

There was no objection.

Mr. MILLS. Mr. Chairman, I do not think I shall require more than two minutes, and I apologize to the House for taking up so much of its time; but I can not resist making this ob-

servation to my friend from Texas: That his method of procedure, while in some ways admirable and really a tribute to his genius, is bound, before he gets through, to involve him in very serious difficulty; and I have never seen a man more earnestly trying to get out of the pit he has dug for himself than the gentleman from Texas. He has created a great big deficit, and he knows that when he comes to the automobile taxes, whether he admits it or not, he is going to create a greater deficit. He has managed, by abandoning the fundamental principle of Democracy, namely, the rights of the States to be independent of the Federal Government and to have revenue which properly belongs to them, by abandoning that principle yesterday and depriving the States of one of their great sources of revenue he managed to gather in some \$20,000,000. That helps a little, but only very little. Before the morning is out the gentleman is going to suggest a tax, I think, on cigarettes. I want to say to my friend from Texas [Mr. GARNER] that he is not even going to get \$20,000,000 more. He is not going to get anything more from that suggestion.

I want to make this further prophecy now. When the gentleman from Texas gets through framing this Garner bill, improvised on the floor of the House, his \$300,000,000 deficit will be increased to \$325,000,000. Not only that, but he will have framed a bill for which your party will have to assume entire responsibility. [Applause.]

I do not know how my colleagues on the Republican side feel, but I want to say here and now that as the bill is written I can not support it, and will not support it [applause]; and it will be up to my friend from Texas to explain to the country how, in spite of his brilliant improvisation, he has passed through the House of Representatives a measure which will create a deficit of \$325,000,000, at least, in the Treasury, and which may for that reason never become law. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman—

The CHAIRMAN. The gentleman from Iowa is recognized. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, at the outset I want to congratulate my friend from New York on the magnificent argument he has made against this amendment. If he had any reasons to show why it ought not to be adopted, and I suppose he has because he will vote against this amendment, he did not present them. Instead of that he indulged in a flight of his imagination with reference to what had been going on between myself and the gentleman who is the leader upon the other side so far as this bill is concerned. The gentleman's imagination is such that it is not as usefully employed on the floor of this House as it would be if he were writing some novel or romance. [Laughter and applause.] The gentleman is using his energies in the wrong direction. I offered this amendment last night and I offered it after careful consideration, but the Members of the House did not seem disposed to accept the rates I had in it at that time.

Mr. MOORE of Virginia. Will the gentleman let me ask one question?

Mr. GREEN of Iowa. Just a moment, and then I will gladly yield to my friend from Virginia. If this amendment either as presented last night or as presented now was a useful and proper amendment, then the gentleman from New York ought to be using his powers to support it, if it is a good amendment. If it is not a good amendment, he ought to be able to give us some reason why it should not be adopted. The gentleman from New York with all his brilliancy, and he has brilliancy, has been found in this House here on every occasion, when we sought to introduce anything that would prevent evasion of a tax and its payment on a basis of fairness, equality, and justice, opposing those amendments or at least voting against them. [Applause.]

Just one word more and then I will yield to the gentleman. The gentleman talks about leadership. Who has been assuming leadership on this side? Why, the gentleman from New York, in the committee and elsewhere, has been usurping the powers of the chairman of the committee or those that ought to belong to the chairman of the committee. [Applause.] When I state that, I state only something that has been well known to everybody. In fact, he has gone further. He has been the whole committee.

Mr. WEFALD. The country knows it.

Mr. GREEN of Iowa. If the country does not know it, it is time they did know it.

Mr. WEFALD. The country knows it.

Mr. GREEN of Iowa. Now, gentlemen can take their choice. So far as I am concerned, I do not care whether a matter is approved by the gentleman from Texas [Mr. GARNER] or whether it is approved by the gentleman from New York [Mr. MILLS]. I will support it if it tends to prevent evasion under

this law, and I will use my best endeavors to put it in the bill. [Applause.] Ever since I was connected with revenue matters, ever since I have been on the Ways and Means Committee, I have been endeavoring to get a gift tax inserted in the law. I proposed it at the first session when I was a member of that committee some 10 years ago. Ever since that time I have been laboring to get it inserted in the law, because I knew just exactly what would happen, namely, that these big estates would be gradually split up into different parts, thereby defeating both the income tax and the inheritance tax, and that is the reason our revenues are so rapidly decreasing from the big estates.

The CHAIRMAN. The time of the gentleman has expired. Mr. MOORE of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa may have five minutes more in order that I may ask a question.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the time of the gentleman be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Virginia. I will ask the gentleman if it is not a fact that there was before the Ways and Means Committee a bill which included a tax upon estates and also a tax upon gifts, the Ramseyer bill, and whether or not those matters were the subject of more or less discussion in the committee?

Mr. GREEN of Iowa. No; they were not subjects of discussion in the committee; but I will say that they were the subject of discussion at a meeting which the gentleman from New York [Mr. MILLS] attended in my own office right off of this room.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield to me?

Mr. GREEN of Iowa. Yes.

Mr. McLAUGHLIN of Michigan. The gentleman from New York has evidently recognized the very general feeling throughout the country in opposition to the accumulation of great wealth and the feeling in the country that it ought to be more generally distributed, and is it not true that the gentleman seems to feel that that objection can be removed by dividing up these great bodies of wealth among the members of the family and for the purpose of escaping taxation? [Applause.]

Mr. GREEN of Iowa. The gentleman is entirely right.

Now, Mr. Chairman, just one word more. As I stated yesterday, it is perfectly idle to increase the rates on the great incomes and it is perfectly idle to increase the rates on these big bequests if you do nothing in the way of checking the evasions that are continually going on. The amendment which I have offered is simply a corollary to the inheritance tax and goes necessarily with it. I want to say frankly that this amendment will not produce any considerable amount of revenue.

Mr. HUDSPETH. What are the exemptions, if my friend will tell us, please—up to what amount?

Mr. GREEN of Iowa. Fifty thousand dollars each year is exempted and then \$500 gifts to any number of single individuals.

Mr. HUDSPETH. There was some confusion in our minds about that, and that is the reason I asked the gentleman the question.

Mr. GREEN of Iowa. Fifty thousand dollars is exempted to start with.

Mr. MORTON D. HULL. Why is the amount put at \$500?

Mr. GREEN of Iowa. Five hundred dollars to any one individual in the course of a year, no matter how many separate individuals it may be given to.

Mr. MORTON D. HULL. If I am supporting a dependent relative and paying more than \$500 a year, perhaps \$1,000 a year, do I pay on that amount spent for support?

Mr. GREEN of Iowa. Such payments are not excepted, but you would have an exemption of \$50,000 to start with, but if you paid more than a total of \$50,000, you would be taxed.

Mr. YATES. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. YATES. Have you made any attempt to estimate the amount of revenue that would be received by the gift tax?

Mr. GREEN of Iowa. I have just stated that I do not think that this amendment as a direct tax would produce any considerable amount of revenue. I doubt whether it will produce more than a million dollars. Its main purpose is not to produce a revenue, but is to stop evasion on the part of men of great wealth who are able to give away large sums of money. Indirectly, I think it will bring us a large item into the Treasury.

Mr. FREAR. And catch it in an inheritance tax.

Mr. GREEN of Iowa. Yes; or income tax.

Mr. MILLS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend the amendment in line 5 by striking out the figure "1" and inserting the figure "2."

Mr. GRIFFIN. Mr. Chairman, can we have the amendment read as it would read if amended?

Mr. MILLS. Let me say to the gentleman that that is of no importance.

Mr. Chairman, I regret very much that the chairman of the Ways and Means Committee should feel that I have in any way attempted to assume the responsibilities of leadership. Nothing could be further from my thoughts. I have noted, however, on the Democratic side the affirmative, aggressive, partisan, Democratic character of the leadership offered by the gentleman from Texas [Mr. GARNER]. Personally, as a partisan, I commend the gentleman from Texas for the loyalty with which he is supporting his party. I want to say that I oppose the partisanship of my friend from Texas with what I consider to be a 100 per cent brand of Republicanism. [Applause.]

I have supported this bill with all the energy and enthusiasm and ability that I have because I believe in it, and if I have erred on the side of being too earnest about it I have no apologies to make. A man's duty on the floor of this House is to present his views, what he believes to be the views of his constituents, to the best of his ability, and when he does that I deny that he is subject to the criticism of the chairman of the Ways and Means Committee or anyone else in this House. [Applause.]

Now, the gentleman wants to know why I treat with levity the proposition which is now before the House. It is because, gentlemen, it is impossible to treat it in any other way. You can not treat it seriously because it accomplishes no serious purpose.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MILLS. I can not yield.

Mr. GREEN of Iowa. How many times does the gentleman want to speak on this subject?

Mr. MILLS. I decline to yield. The gentleman wants to know why I oppose this amendment. Because it is wholly ineffective. The gentleman says he wants to prevent the splitting up of large estates to avoid an inheritance tax, and that he has submitted a plan that will do it. It is preposterous. A man could give away \$49,000 to his son for 10 years and yet not pay one nickel of tax. He can give his son \$100,000 for 10 years, and give him a million dollars, and only pay \$5,000. The whole thing is a joke. It is a jest. I may disagree with some of the gentlemen here, and I know that I do on various tax measures.

But everyone will agree that the one kind of legislation which is bad and indefensible is legislation that kids the people into believing that you are accomplishing something when there is not the slightest chance of accomplishing anything. You can drive a horse and wagon through this amendment every year and every day in the year in so far as it purports to help the enforcement of the inheritance tax is concerned, and that is the reason it should be opposed.

Mr. NELSON of Wisconsin. Will the gentleman yield?

Mr. MILLS. I will.

Mr. NELSON of Wisconsin. Will the gentleman outline the kind of a gift tax that he would support and that would be effective?

Mr. MILLS. That question illustrates the difficulty of trying to write a bill on the floor of the House. The gentleman from Texas [Mr. GARNER] yesterday stated that when the Democrats were in control in the Ways and Means Committee they considered a gift tax very seriously and ran into so many difficulties that they abandoned it.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. MILLS. I will.

Mr. GARNER of Texas. May I correct the gentleman? It was not while the Democrats were in charge, it was in 1921. If the Democrats had been in charge we would have written it into the law. [Applause.]

Mr. MILLS. I want to say that it is enormously difficult to improvise a tax of this kind and write it overnight. Here is the first thing that occurred to me: Why do you impose a tax on the donor? Here is a man who is parting with his property. When you impose an income tax you impose it on the man receiving the income. When you impose an inheritance tax the tax comes out of the estate and the legatees. But here is an extraordinary form of taxation where you impose the tax on the man that parts with the property and try to attach a lien on the property in the hands of the new owner. I do not know to-day, from the reading of this bill, whether the lien shall

attach in the hands of the party who buys it from the donee in good faith.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARNER of Texas. Mr. Chairman and gentlemen of the committee, what I told you in the opening of this debate has been confessed on the floor of the House this morning, and that is that Mr. MILLS, of New York, wrote this bill in the Ways and Means Committee and that 10 of his colleagues joined him in the report. I regret to hear the gentleman from New York [Mr. MILLS] state that the bill has been amended to the point where he can not support it. What amendment has been placed in this bill that brings Mr. MILLS to that conclusion? If Mr. MILLS and his associates in the beginning of the consideration of the Mellon bill had submitted it to their conference under the leadership of the gentleman from Iowa [Mr. GREEN], I undertake to say that a close tab on that conference would have revealed the fact that he would get only 108 Republicans to indorse the Mellon plan.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. MILLS. How many Republicans on the teller vote voted for the so-called Treasury rates?

Mr. GARNER of Texas. One hundred and fifty-two, it is true, but I said in the beginning, before the gentleman from New York [Mr. MILLS] and before the Treasury Department got in their work. Then there were only 108 Republicans that you could find that would agree to support the Mellon plan. Is not that so, Mr. LONGWORTH? Now, gentlemen, since you have said that this is a Democratic bill and that we are responsible for it, I want to let the country know and the Republicans of the country understand that you wrote this bill. Why didn't you call in Mr. HAWLEY—he is the next one, if you did not want Mr. GREEN? Why didn't you call in Mr. TREADWAY, the next one? Why didn't you call on some other Member, older in service than the gentleman from New York [Mr. MILLS], to write this bill?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. MILLS. While I consider it a great credit to have written the bill, I want to say flatly to my friend from Texas that I did not write it.

Mr. GARNER of Texas. I know the gentleman did not write it in his own handwriting.

Mr. MILLS. Oh, no.

Mr. GARNER of Texas. But the gentleman dictated the provisions of this bill more than any other man, practically.

Mr. MILLS. Oh, no. I say to the gentleman from Texas that that is not so.

Mr. GARNER of Texas. I shall ask every member of the committee if the gentleman from New York was not the most potential factor in the committee? Does any gentleman rise and say, "No"? Not a one. He helped to frame it at the Treasury Department. You will not deny that? The Secretary of the Treasury finds it necessary to summon the only man on the Ways and Means Committee who has the viewpoint that he has and who can approach him in money to write a bill, and then that gentleman comes in here and because, forsooth, we as the representatives of the people, whose duty it is and who the Constitution requires shall enact legislation, when we have seen fit to change a portion of the bill, rises in his place this morning and tells the world, "You have changed this; it is no longer the Mellon bill and my bill, and I do not propose to vote for it." I dare the people on the Republican side to follow the gentleman from New York on the final passage of the bill.

Mr. CRISP. Is it not true that the only fundamental changes made are that they adopted the so-called Garner rates instead of the 25 per cent rate and also authorized committees of the House and Senate by a majority vote to see income-tax returns?

Mr. GARNER of Texas. That is all. They say that this amendment is a joke. Do you suppose if OGDEN MILLS thought this was a mere gesture, he would be up here trying to ridicule it out of court? He knows what it will do.

Mr. MILLS. Mr. Chairman, if the gentleman will yield?

Mr. GARNER of Texas. The gentleman from New York knows that this amendment if it is adopted will prevent the transferring of large estates and avoiding paying estate taxes, that it will prevent the dividing up of large estates, and therefore escape from the high surtaxes. Those are the two things it will do, and in doing that in my opinion it will raise \$25,000,000 in the Treasury next year. I say that it will raise that in the way of protection only, increasing the taxes on both estates and the surtaxes of those estates which have been divided up.

Let me ask you Republicans a question. You say you are not going to vote for this bill now. You surely will not say that, and when this bill comes up on its final passage I want to see how many of you are going to follow Mr. MILLS, because when you do that you are going to make a record, and when you go back home you have to meet that record, and the question is, and the question will be, "Do you like this law for the reduction of taxes better than the present law," and you can not make any other issue out of it to save your life. I do not think there is a single constituent in the United States that does not think we ought to have a tax reduction.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. SNYDER. The gentleman has said that this gift tax would raise \$25,000,000. The distinguished chairman of the Ways and Means Committee says that it would raise a million dollars. You gentlemen must have your wires crossed.

Mr. GARNER of Texas. Here is what the gentleman from Iowa says. He said it would raise probably a million dollars in taxes. I say that it will raise \$25,000,000 by preventing the escape from other taxes.

Mr. GREEN of Iowa. I said that it would not raise very much as a direct tax.

Mr. GARNER of Texas. Certainly. Of course the gentleman from New York can not see that, because he does not want to see it. The New York viewpoint is such that it can not see anything outside of Wall Street.

Mr. SNYDER. Oh, let me tell the gentleman that I am in favor of this amendment.

Mr. GARNER of Texas. I am very glad to know that, and I take it all back, if it will do any good.

Mr. LA GUARDIA. I hope the gentleman will limit his definition of a New York viewpoint.

Mr. GARNER of Texas. I mean where they make the districts long and take in Fifth Avenue as a backbone.

Mr. LA GUARDIA. We have other streets in New York than Wall Street.

Mr. GARNER of Texas. There is one good thing about this occurrence this morning, and it is some consolation to those who believe this bill ought to become a law and passed as it has been written. The confession of the gentleman from New York, I imagine, is reflected by the gentleman from Ohio [Mr. LONGWORTH]. I imagine my friend from Ohio is very much weakened this morning about the ultimate success of his famous compromise.

Nobody knows what it is. Mr. FREAR has been asking for it half a dozen times through the press and on the floor of the House, but he has never given it to anybody. He is keeping it off with great secrecy, hoping to spring it suddenly and have all the Republicans follow. Gentlemen, are you going to do that when the time comes for the final passage of this bill? You have to go on record on the amendment. That is one thing certain. You have to go on record as between 44 and 25. You can not get away from that. That part of it you can not avoid. Your record is made. You can not avoid that.

Suppose you strike out 44 or fail to adopt 44 and leave 25. How many of you will support the motion to reconsider? How many Republicans on this side will it require to make a majority of them, a majority on this side of the Chamber against the Mellon plan? I make that statement, and I make it advisedly.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Oh, there comes the substitute whip on the Republican side. [Laughter.] I guess I shall have to yield to him.

Mr. BEGG. The gentleman from Ohio would rather be the substitute whip on the Republican side than be the whip on the minority side. [Applause.]

Mr. GARNER of Texas. I do not doubt that; I do not question that.

Mr. BEGG. The gentleman is mistaken when he says a majority on this side are against the Mellon plan, because I know a majority on the roll call is on the other side; a majority is in favor of the Mellon bill, and a decided majority.

Mr. GARNER of Texas. How many? How much? Name them.

Mr. BEGG. Wait until you call the roll, and then you will find out.

Mr. GARNER of Texas. Tell us how many.

Mr. BEGG. We had 152 on the only opportunity we had to get a vote, with 13 absent.

Mr. GARNER of Texas. Does the gentleman say he has 152 to vote on the Mellon plan on the roll call?

Mr. BEGG. Absolutely, and more than that. [Applause.]

Mr. GARNER of Texas. I do not believe it.

Mr. BEGG. I would like to ask the gentleman from Texas another question.

Mr. GARNER of Texas. Does not the gentleman think he should give the whip a chance?

Mr. BEGG. I do not mean to step back for the whip.

Mr. GARNER of Texas. I will answer the gentleman.

Mr. BEGG. Are you not doing just exactly as we prophesied would happen when this great rule was put over in the rules, namely, when anybody can offer an amendment on the floor? We are now in passion legislating against Mr. MILLS because he happens to be wealthy.

Mr. GARNER of Texas. If the gentleman wants to make a speech I will get him time.

Mr. BEGG. Get me time. And in passion on the gentleman's side, when he stood up in his caucus and appealed to the Republicans to vote with the Democrats; and that has produced chaos. [Applause.]

Mr. GARNER of Texas. That is about as much information as the gentleman ever gives anyone, and that is none.

Mr. BLANTON. Mr. Chairman, I offer an amendment to the amendment; a substitute for the Mills amendment.

Mr. DAVEY. Mr. Chairman, I have an amendment to offer.

Mr. TREADWAY. Mr. Chairman, there is an amendment pending, and I rise in opposition to the amendment of the gentleman from New York.

Mr. DAVEY. This is an amendment to the amendment. Section 320—

The CHAIRMAN. The Chair is reminded that there is an amendment to the amendment, offered by the gentleman from New York.

Mr. TREADWAY. I rise in opposition to it.

Mr. BLANTON. I offer a substitute for the Mills amendment.

Mr. LONGWORTH. Mr. Chairman, it seems to me that the gentleman from Massachusetts [Mr. TREADWAY] is at least entitled to recognition.

The CHAIRMAN. The gentleman from Massachusetts is entitled to recognition if he has an amendment.

Mr. LONGWORTH. He wishes to speak in opposition to the amendment.

The CHAIRMAN. The Chair will state that he would recognize the gentleman from Massachusetts. If any gentleman offers an amendment to the amendment as a substitute, he would have the right to offer it, on which further debate could be had on the amendment itself.

Mr. BLANTON. I appeal to the parliamentary rules, Mr. Chairman.

Mr. TREADWAY. I ask for recognition as a member of the committee on the pending amendment.

The CHAIRMAN. The Chair does not think, on inspection of the substitute offered by the gentleman from Texas, that it is a substitute.

Mr. BLANTON. Why is it not? I offer an amendment to change the rate.

Mr. TREADWAY. It makes no difference how the gentleman offers it. Let the Chair rule upon it.

The CHAIRMAN. It looks to the Chair as if this were simply an amendment to the amendment, and it looks to the Chair as if it would not be in order.

Mr. BLANTON. Mr. Chairman, I rise to a point of order. Here is the situation—

Mr. TREADWAY. The Chair knows the situation, and has ruled. I claim that the gentleman from Texas is out of order.

Mr. BLANTON. The Chair knows the rules.

The CHAIRMAN. Let the gentleman from Texas make his point of order.

Mr. BLANTON. A point of order, Mr. Chairman. The fifth line starts out, "1 per cent above \$50,000." The gentleman from New York [Mr. MILLS] offered to strike it out and make it 2 per cent. I offer a substitute to strike out "1 per cent" in the bill and make it "one-half of 1 per cent." That is a substitute. If it is not, I do not know how to write one.

Mr. TREADWAY. I make the point of order, Mr. Chairman, that that is an amendment to the third degree, and out of order.

The CHAIRMAN. The Chair thinks he understands what it is. The substitute offered by the gentleman from Texas [Mr. BLANTON] reads as follows: "Strike out '1 per cent' and insert 'one-half of 1 per cent.'" That is not a substitute amendment.

The gentleman from Massachusetts [Mr. TREADWAY] is recognized.

Mr. TREADWAY. Mr. Chairman, I always enjoy following the gentleman from Texas [Mr. GARNER]. I realize that he is more entitled to the floor than I am, but it is a great pleasure occasionally to have a little sport with him, even when we are discussing serious matters, and this is a serious matter, which he has discussed in a spirit of great levity.

The gentleman from Texas asks whether or not we are going to dare—he used the word “dare”—vote against the Garner amendment when it comes to final passage. He thinks there are very few, but I want to join that small group, and I do dare vote against the Garner amendment and I intend to do it on a roll call. [Applause.] There are at least 152 others who will do the same and we expect to be joined by some who were not present. So the gentleman from Texas can not get away with that facetiousness about the majority of the Republicans not being for the rates in the bill; they have been for them from the start, and, except for the confusion worse confounded which the gentleman from Texas has thrown into the steering gear of this machine, there would be no trouble about passing the bill; he is the one who is making the trouble, not the Republicans. [Laughter.]

Now, there has been considerable said here about leadership, and our distinguished chairman of the Ways and Means Committee has taken exception to those who differed with him on this bill. I am one of those who differed with him and that is the reason he has not had control of our committee; he has not stood for what the majority of his party wanted to be written into the bill. [Applause.]

The gentleman from New York [Mr. MILLS] has not assumed leadership in the committee, and it was extreme discourtesy to make such a statement as that. Nor has he written this bill. I defy the gentleman from Texas to bring forward the slightest proof that the gentleman from New York has had the writing of this bill. As a matter of fact, he has not had the writing of it.

Mr. HOWARD of Nebraska. Will the gentleman yield?

Mr. TREADWAY. I shall be very glad to yield. If the gentleman from Nebraska wishes to take the place of the Democratic leader, I shall be glad to yield.

Mr. HOWARD of Nebraska. I am not competent to do that.

Mr. TREADWAY. I think the gentleman is, and he is assuming his place now.

Mr. HOWARD of Nebraska. In his absence I do not intend to let the gentleman get away with a bluff.

Mr. TREADWAY. There is no bluff about it, as I am merely stating facts. I shall be very glad to hear the gentleman's question, if it is a question, but not a speech.

Mr. HOWARD of Nebraska. The question is this, my friend—

Mr. TREADWAY. Thank you.

Mr. HOWARD of Nebraska. And I am. [Laughter.] The gentleman distinctly stated that he dared the gentleman from Texas to prove a certain proposition.

Mr. TREADWAY. I repeat it.

Mr. HOWARD of Nebraska. I call to the gentleman's mind the fact that only two minutes ago the gentleman from Texas stood there and challenged any Member on your side to rise and disprove his statements.

Mr. TREADWAY. Yes; and in doing that he broke the confidence of an executive session of the committee. [Applause.] And that is the reason why nobody took the dare. When the gentleman from Nebraska is a little more familiar with procedure here he will ascertain that all committee matters are not supposed to be debated on the floor in the way they have been debated for the last week or so.

Mr. HOWARD of Nebraska. I am sufficiently familiar with JOHN GARNER to repel the insinuation that he broke any confidence. [Applause.]

Mr. TREADWAY. But we know the way in which he can insinuate and break confidences. Nobody has a higher respect for the gentleman from Texas than I have; I assure you of that.

There have been some very unfair insinuations on the part of the gentleman from Texas against the gentleman from New York [Mr. MILLS]. The insinuations are that he is influenced by his personal interests in regard to this bill. The gentleman from Texas makes that insinuation when he continually refers on this floor to the gentleman from New York as being a man of means and that, therefore, he, as the Representative of the people, would so far debase his oath of office as to consider his personal interests in preference to his duty as a Congressman. I resent that insinuation. [Applause.] It is natural that the gentleman from New York should not be the one to

reply in reference to his own affairs. I do not know anything about the gentleman's bank account, nor do I know anything about the bank account of the gentleman from Texas. But the insinuation that any man here would pretend or would dare to be so governed in his conduct in writing a measure of this kind and in assisting in its preparation would be influenced by his personal bank accounts is beneath the gentleman from Texas, and he should withdraw those statements and never make them again. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes. Is there objection?

Mr. TAGUE. Mr. Chairman, reserving the right to object—

Mr. GREEN of Iowa. Mr. Chairman, I make it 15 minutes.

The CHAIRMAN. The gentleman from Iowa asks permission to modify his request and make it 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Mr. Chairman, I offer a substitute.

The CHAIRMAN. The gentleman from Texas offers a substitute, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON as a substitute for the Green amendment: The Green amendment amended as follows: On page 1, line 5, strike out 1 per cent and insert in lieu thereof one-half of 1 per cent.

Mr. TILSON. Mr. Chairman, I make the point of order that the gentleman from Texas can not do by indirection what he can not do directly.

Mr. BLANTON. Mr. Chairman, the Clerk did not read all of my substitute. I have put it in the form of a substitute, and if the Chair will inspect it he will see it is in the nature of a substitute.

Mr. GREEN of Iowa. If my friend simply wants to speak, why does he not get recognition and go ahead?

Mr. BLANTON. That is what I am trying to do now, but I am trying to do it in an orderly way under the rules of the House.

The CHAIRMAN. The substitute of the gentleman from Texas [Mr. BLANTON] is rather informal but the Chair assumes it constitutes a substitute, unless objection is made to its form. The gentleman seeks to adopt the Green amendment with the change of certain language which he specifies.

Mr. BLANTON. I did not want to have to rewrite the whole proposition; that is all.

Mr. TILSON. Mr. Chairman, I have not the amendment before me, but is it not a change of the very paragraph that the gentleman from New York attempted to amend by his amendment, and if so, it is an amendment in the third degree.

Mr. BLANTON. No; it is a substitute, Mr. Chairman, pure and simple. But if it will better please the gentleman, I move to strike out the last two words.

Mr. TILSON. I make the point of order, Mr. Chairman, that that is an amendment in the third degree.

Mr. BLANTON. Then I insist on my substitute, Mr. Chairman, as it is clearly in order.

Mr. TILSON. There is already an amendment and an amendment thereto pending.

The CHAIRMAN. The Chair thinks the substitute is in order. It is informal, but in order.

Mr. BLANTON. Mr. Chairman, my object is to use five minutes on this pending question. I know that a belief has lodged itself unfortunately in the breasts of many of our distinguished members of the Ways and Means Committee that no one else here is interested in tax legislation but members of that committee, and that we other Members are guilty of lese majesty in attempting to speak on tax legislation. I know that idea seems to prevail. I am sorry to see it exhibited in such a broad-minded man, usually, as our friend from Connecticut [Mr. TILSON].

The gentleman from New York [Mr. MILLS] would have us believe that only he and the gentleman from Iowa [Mr. GREEN], and the gentleman from Texas [Mr. GARNER], and Mr. Secretary Mellon are interested in this revenue bill. Why, there are 435 Members of this Congress now framing this revenue bill in this Committee of the Whole House on the state of the Union. There are 110,000,000 people in the United States who are interested in it, and I want to say to the gentleman that when this bill is passed finally it is not the Mills bill or the Mellon bill or the Green bill or the Garner bill; it is the American

people's measure when it becomes the law of the land. The gentleman from New York [Mr. Mills] intimates that he is going to vote against it, and therefore further intimates that the President will veto it after the House and Senate pass it.

Here is the situation: The people of the United States do not care how you designate this bill. They do not care how you name it. They do not care whether it is the Mellon bill or the Mills bill or the Green bill or the Garner bill or the Frear bill, but what they are interested in is the wording of its provisions and the fact that it reduces their taxes. That is the main point they are interested in, and I want to say to the distinguished gentleman from New York and every member of his party that if this bill passes as it is written, reducing the taxes of every citizen of the United States who pays an income tax, reducing it under the amount payable under the present law—I want to say to him and to his party that if his President vetoes it they are going to hear the biggest howl from the American people that they ever heard before, because the people are not going to stand for it.

Mr. KING. What does the gentleman mean by "his party"? I never heard of that party before.

Mr. BLANTON. I mean the 152 gentlemen about whom our friend from Ohio [Mr. Begg] spoke so eloquently, otherwise known as the standpat regulars. I do not refer to the gentleman from Illinois, because he is not going to vote with Mr. Mills on that proposition. And I do not mean the balance of the Republican majority, because they have seen the light on this proposition and they know that this bill has been amended in the interest of the people of America, and I doubt that they will ever vote against it, even under the whip and spur of the Republican steering committee.

Mr. WAINWRIGHT. Will the gentleman give way?

Mr. BLANTON. Certainly; I yield for a question.

Mr. WAINWRIGHT. How can we vote for this bill when we believe it creates a deficit?

Mr. BLANTON. That deficit has been created in the minds of a few parties in the hope it will form an excuse for a veto, but you can not fool the people on that. Take, for instance, the Frear amendment that we passed yesterday providing for an estate tax. The gentleman from New York knows what that tax, and also what this ancillary gift tax, will do, and Mr. Frear knows what it will do and Mr. Garner of Texas knows what it will do and every man on this floor who has studied the question knows what the estate tax and this gift tax will do. They substantially increase revenue. Mr. Garner of Texas says that the Frear amendment passed yesterday and this amendment and his cigarette amendment, which he is going to offer, will bring from \$110,000,000 to \$130,000,000 more into the Treasury when they are passed. Those of you who talk about deficits, may I say to the distinguished gentleman, if you are afraid of deficits, why do you not vote for these amendments which will surely put \$110,000,000 more into the Treasury per annum?

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman give way for another question?

Mr. BLANTON. Certainly; I yield for a question always.

Mr. WAINWRIGHT. I understand the estimated deficit is about \$320,000,000, and the gentleman has only accounted for \$120,000,000 of the \$320,000,000.

Mr. BLANTON. Yes, that is the administration rumor, but the distinguished gentleman was not here last year when Secretary of the Treasury Mellon told us that we had a deficit of \$600,000,000 in the Treasury and told us we could not make adjusted compensation expenditures, and then a little later on he came back and told us he had made a mistake, and that there is a \$300,000,000 surplus, which makes a difference of nearly \$1,000,000,000, I will say to the distinguished gentleman. So, being a billion dollars out of balance, we can not rely upon such reports coming from Secretary Mellon.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair would state that certain gentlemen have advised the Chair that there are other amendments to the amendment which are desired to be presented, and for that reason the Chair thinks he should put the Mills amendment at this time and have it disposed of.

Mr. BLANTON. I ask leave to withdraw my substitute.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from New York [Mr. Mills].

Mr. LONGWORTH. Mr. Chairman, I understood the gentleman from New York to say that the amendment was a pro forma amendment.

The CHAIRMAN. It was; but the gentleman did not withdraw it. Without objection, the amendment will be withdrawn. There was no objection.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my substitute.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his substitute. Is there objection? [After a pause.] The Chair hears none.

Mr. TAGUE. Mr. Chairman—

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. TAGUE. During the heat of this debate the question that confronts me as a Member of this House is whether or not I have surrendered all my rights as a Member and have given up the privilege of offering an amendment or speaking for or against any measure that comes before this body simply because it may offend the taste of some individual. I happen to be a member of the committee that has reported this bill; but, Mr. Chairman, though I may be a member of this committee, I do not believe I have the right to usurp the rights of the membership of this House in presenting amendments or in presenting my views or allowing them to present their views to this House on so important a measure as this tax bill.

What are the facts? Much criticism is made here of Members on both sides of the aisle. I have respect and honor for every Member and every colleague of mine on the Committee on Ways and Means, no matter to which side of the aisle he may belong. I do not want to impugn the motive of any Member in the position he takes in this House, but I do not intend to sit here as a Member of this House and have the Members on this side of the aisle who are members of the committee told that they must assume a responsibility that has been denied them from the beginning. As one member of the committee, I want to say that so far as important provisions of this bill are concerned, we knew nothing about them until they were presented. The majority, to be sure, assumed that responsibility, but soon the responsibility had to come upon the shoulders of men who were competent to judge this situation.

There are able Members on that side of the committee but, gentlemen, no more so than the distinguished minority leader, the gentleman from Texas, on this side of the aisle, for upon this side of the aisle are Members who have served on this committee many years. It may not be out of place when I say the gentleman from Texas [Mr. Garner], the gentleman from Arkansas [Mr. Oldfield], the gentleman from Missouri [Mr. Dickinson], the gentleman from Georgia [Mr. Culp], the gentleman from Mississippi [Mr. Collier], the gentleman from Tennessee [Mr. Hull], and the gentleman from Illinois [Mr. Rainey] have all served on this committee and have drafted legislation for tax revenue and tariff longer, probably, than the majority of Members on the other side. If the younger Members of the House at least are not going to follow those who should understand the bill, then, Mr. Chairman, why should we follow those who, like myself, have had but one or two years in the drafting of important legislation.

I do not think it is within the keeping of any Member of this House to stand up here and say that because his views are not taken on the bill that it is unfit for the country, but with sober mind use our own judgment; and on the floor we ought to be at least able to judge of an amendment as it comes and vote upon it according to our own conscience.

I do not believe, Mr. Chairman, that this should be a partisan measure and I regret that an attempt is being made to make it a partisan measure. That was made possible before it came to the House. I want to say again and to repeat it, that I believe the time is going to come in this House when Members put upon an important committee as this is, whether Democrats or Republicans, will at least be permitted to know what is going on in the committee. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DAVEY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. DAVEY to the Green amendment: On page 2 of the amendment, line 3, section 320, strike out "during the calendar year" and insert "prior to the death of said resident."

Mr. DAVEY. Mr. Chairman, it seems to me as the Green amendment now stands it has a decided weakness or loophole, provided it is intended to accomplish what was said of it. As I understood it, the Green amendment was intended to duplicate the rates of the Ramseyer amendment. It does and it does not. According to the Green amendment this tax is based upon the gifts made within a calendar year. So it seems to me it might

be possible for a man to make a gift of \$100,000 or \$1,000,000 per year for 10 or 20 years and escape the bulk of taxation by paying the lower rates on partial gifts each year.

The purpose of the amendment I have offered, in absolute good faith, is to take the total gifts prior to death and put those total gifts on exactly the same basis as that provided in the Ramseyer amendment. So I have offered the amendment to strike out the words "during the calendar year" and substitute "prior to the death of the said resident." The effect of this would be to make the sum total of the gifts made prior to death subject to the same rates as in the Ramseyer amendment.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. DAVEY. Yes.

Mr. GREEN of Iowa. We consulted the experts on that matter and they said it was entirely impracticable because it would make a difference in the rates every year unless they waited until the time of the death of the decedent, and that would not be practicable.

Mr. DAVEY. I would like to remind the gentleman of the modern definition of an expert, and that is an ordinary man 150 miles from home. The testimony of experts does not change the meaning of the English language or common sense.

Mr. GREEN of Iowa. I was not talking about expert witnesses, but expert draftsmen.

Mr. DAVEY. If you wish to put the tax on gifts on the same basis as the inheritance tax, you must base the tax on the sum total of the gifts and not allow the man to evade the higher tax on inheritances by making smaller gifts every year over a period of years. It seems to me that logic and common sense require that this amendment should be passed if you propose to tax gifts on the same basis that you tax inheritances.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. DAVEY. Yes.

Mr. BLACK of Texas. Under the amendment the gentleman has offered the tax would not be collected each calendar year, but would be postponed until the year of the death of the donor.

Mr. DAVEY. Possibly; but I think that could be provided against.

Mr. BLACK of Texas. Does the gentleman think that ought to be done?

Mr. DAVEY. It is possible that another amendment might be required to perfect it.

Mr. ACKERMAN. Will the gentleman yield?

Mr. DAVEY. I will.

Mr. ACKERMAN. A man making gifts would have to keep an account of each gift that he made, not knowing when he was going to die?

Mr. DAVEY. That is obvious.

Mr. O'CONNELL of Rhode Island. Would there not be a possibility that the entire estate might be dissipated so that there would be nothing to pay any tax with?

Mr. DAVEY. I believe it is easily possible to amend the Green amendment so that the gift tax can be collected each year and at the end of each tax year to compute the tax on the total of the gifts up to that time, assessing the proper tax on the total up to that time and deducting the yearly taxes already paid. This would provide an increasing tax each year as the sum total of the gifts increased, and in the end the gift tax would be exactly the same as that provided on inheritances in the Ramseyer amendment.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment to the amendment offered by the gentleman from Ohio [Mr. DAVEY].

The question was taken, and the amendment to the amendment was rejected.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. GREEN of Iowa. Mr. Chairman, all time has expired, and the gentleman can not debate his amendment.

The CHAIRMAN. All time has expired. The time was fixed by the committee. The question is on the amendment offered by the gentleman from Iowa [Mr. GREEN].

Mr. CHINDBLOM. Mr. Chairman, tellers.

Mr. LONGWORTH. Mr. Chairman, a division.

Tellers were ordered, and the Chair appointed Mr. GREEN of Iowa and Mr. BACHARACH to act as tellers.

The committee divided; and the tellers reported—ayes 191, noes 65.

So the amendment was agreed to.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment to follow the amendment just adopted which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: On page 150, following the amendment just adopted, insert a new title as follows:

"TAX ON EXCESS DWELLING HOUSE RENT."

"That on and after July 1, 1924, there shall be levied, collected, and paid annually the following special tax:

"1. Where the rent of a dwelling house is increased above the standard rent, as hereinafter defined, 50 per cent of the amount by which the rent payable exceeds the amount which would have been payable under the standard rent: *Provided*, That where the landlord has since April 7, 1917, and during the continuance of this title of this act incurs expenditures on the improvement or structural alteration of a dwelling house, not including decoration or repair, an increase of rent not exceeding 15 per cent per annum on the amount so expended shall not be deemed an increase for the purpose of this title.

"2. Whenever a standard rent, as herein defined, computed for a period of one year is not in excess of 10 per cent net of the capital value of the dwelling this title does not apply and the only return the landlord shall be required to render is an affidavit to the effect that the rent received during the taxable year does not exceed the standard rent defined herein.

"3. Where any person lets a dwelling house or any part thereof at a rent which includes payment in respect of the use of furniture, and the rent so charged is yielding or will yield the lessor a profit of 25 per cent per annum in excess of the standard rent of the dwelling or part of the dwelling house unfurnished, the excess rent shall be taxed 50 per cent.

"4. Where any person sublets more than one dwelling house or part of a dwelling house in excess of a standard rent, the excess rent shall be taxed 75 per cent.

"5. Any transfer to a tenant of any burden or liability borne by the landlord shall for the purposes of this title be treated as an increase where such transfer makes the tenancy on the whole less favorable to the tenant whether or not the sum payable by way of rent has increased; and the transfer to any landlord of any burden previously borne by a tenant where as a result thereof the tenancy as a whole is not less favorable to the tenant than the previous term, shall not be deemed an increase under this title, although the amount payable as rent be increased.

"6. For the purpose of this title the expression 'dwelling house' includes an apartment house, tenement house, or a one-family house; and the term 'standard rent' means the rent at which the dwelling house or part thereof was let on the 7th day of April, 1917, or where the dwelling house was not let on that date, the rent at which it was last let before that date; and in case of a dwelling house which was first let after April 7, 1917, it is the amount of rent computed for the period of one year which does not exceed 15 per cent of the capital value of the dwelling house, and the term 'capital value' means the fair market price or value of the property as of April 7, 1917; in case of property acquired on or before that date and in case of property acquired since that date the cost thereof; and in case of property acquired since April 7, 1917, by gift, bequest, devise, or inheritance the fair market price or value on the date so acquired; and the term 'net rent' means the amount of rent remaining after deducting the actual expenses of repairs, interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of like character.

"7. This title shall not apply to a dwelling house or part of a dwelling house let at a rent which includes payment in respect of board."

Mr. SANDERS of Indiana. Mr. Chairman, I reserve the point of order.

Mr. GREEN of Iowa. Mr. Chairman, I make the point of order that this is not a tax, but it is in effect a law intended to regulate the rentals of dwelling houses.

Mr. McKEOWN. Mr. Chairman, this is not subject to the point of order for the reason that this amendment is as much in order as the tax on excess profits. It is a new method of taxation and simply offers a new method by which to raise revenue. It does not undertake anywhere to regulate by inspection or otherwise the dwelling houses of the country. It is a tax on excess rentals. It is as much in order as the inheritance tax or the tax on gifts, or the tax on excess profits. I have drawn this amendment with the Supreme Court opinion in view, so as not to trespass upon the Constitution. The House has followed this question, and it has been decided two or three different times throughout this debate. The amendment simply offers a new title and a new system of taxation of excess rentals demanded on dwelling houses, just as excess profits are subject to tax in other directions. It is not a prohibitive tax; it is a tax that will have the effect of raising revenue. One billion and forty-seven million dollars was collected in rents in the United States in the course of a year. This will affect only the excess rentals.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield? Mr. McKEOWN. Yes.

Mr. CHINDBLOM. Who is to determine what is an excess rental?

Mr. McKEOWN. That is to be determined by this rule, as set out in the statute, and by the commissioner just the same as he determines excess profits and the tax on profits from the sales of real estate.

Mr. CHINDBLOM. The commissioner of internal revenue would examine and review the returns to ascertain whether an excess rent had been charged.

Mr. McKEOWN. That is above 10 per cent; yes.

Mr. CHINDBLOM. What about a building that was not constructed before April 1917?

Mr. McKEOWN. The standard rate of rent is 15 per cent on the cost of construction or the price of property, the actual purchase price or the value of the property at the time it was purchased.

Mr. CHINDBLOM. And, of course, that is subject to review and examination by the Commissioner of Internal Revenue?

Mr. McKEOWN. Yes.

Mr. SANDERS of Indiana. Mr. Chairman, the gentleman from Oklahoma says that he has examined some Supreme Court decision which he thinks holds that this would be constitutional. That might be. Of course, the Chair does not primarily pass upon constitutional questions. This amendment is purely an amendment which seeks to regulate rents. The gentleman from Oklahoma would not deny that.

Mr. McKEOWN. Yes; I will.

Mr. SANDERS of Indiana. The purpose of this amendment is not to raise revenue, it is not to raise a tax, but it is for the purpose of regulating rents.

Mr. McKEOWN. Where in the amendment is anything said about regulating rents?

Mr. SANDERS of Indiana. The amendment singles out the sole proposition of rents and then undertakes to deal with excessive rents, and it comes within the ruling of the Chair which was sustained by the committee that an amendment can not be offered in a tax bill which has some ulterior purpose in view which has for its purpose the regulation of some matter and merely adds on the question of the tax. If the gentleman can do this, he can go out and regulate the price of coal, the price of shoes, the price of anything else in the whole category and merely say that if it exceeds a certain profit then it shall be subject to taxation. It opens up this tax bill to all of the wide, wild field of regulation of prices.

Mr. McKEOWN. Mr. Chairman, there is not a single thing in this amendment anywhere that attempts to regulate the proposition of rents. This is a flat-footed tax proposition. It taxes nothing but excess rents above a standard rent fixed in this amendment, and if excess profits are subject to taxation in tax measures, why are not excess rents above a standard rate of rent subject to taxation? Under the rule heretofore announced by the House in the consideration of this bill, it is absolutely in order. It is just as much in order as the amendment just adopted a few minutes ago. It does not undertake anywhere to regulate rents. It is a new taxation method. It offers another source of revenue. For the information of the Chair I will say that there was collected in accordance with the report of 1920, \$1,047,000,000 as rents in a year. This bill provides a 50 per cent tax. The highest rate is 75 per cent where they sublet more than one residence for themselves. It simply lays a tax on all over 10 per cent net. The gentleman from New York [Mr. MILLS] did not even contend that this other measure was out of order, and it is not out of order under the ruling of the Chair. This meets the argument presented here by the distinguished gentleman from Georgia [Mr. CHASE] and by all of the parliamentarians. It offers a new system of taxation. There is nothing in the bill anywhere that seeks to regulate by inspection or anything of that kind. It is simply a taxing measure, offering to the House a new method by which to raise revenue to supply the deficiencies that may occur by reason of the reduction of other rates or the elimination of other rates. That is all its purpose. It has no other purpose than that. And that being the purpose, it evidently is in order under a former ruling of the Chair. I submit to the Chair that it is in order.

The CHAIRMAN. The gentleman from Oklahoma [Mr. McKEOWN] offers an amendment which is to substitute a new title, and has in it several sections. The ruling of the committee, twice expressed, one on the matter of undistributed profits and the other on an excess-profits tax, was, as the Chair understands it, that any matter of internal-revenue tax would be admissible as an amendment to this bill, whether offered

as an amendment to some section or as a new section or title. The ruling went no further than that, as the Chair understood it.

The Chair has had this matter under advisement for a little while, because of the fact that the amendment was printed in the Record, and there are some rulings which the Chair has found in which the principle is adhered to that the effect of the amendment must govern its germaneness, and not the purpose for which the amendment is offered. But that does not mean that everything that is offered as an amendment to this bill would be in order because it contains a tax. The Chair thinks that the common-sense and practical view of the matter would justify him in coming to the same conclusion that the Chair has arrived at from the offering previously of an amendment of this kind, to take into account what the apparent purpose of the amendment is; and in this case the Chair believes that he has the right to determine this matter from a consideration of this question, namely, whether this amendment imposes a new tax, whether that is its manifest purpose, or whether its manifest purpose is to do something else and it is attempted to incorporate through a provision in this revenue bill something alien to the subject matter.

This amendment in its first paragraph provides for the rent of a dwelling house, when, if it is above the standard rent as defined in the paragraph, 50 per cent of that increase over the standard rent should be taxed. Then the amendment provides that if the landlord increases the rent not exceeding 15 per cent on account of repairs, the amount so expended on repairs shall not be deemed an increase for the purpose of this title.

In the second paragraph the amendment provides that where the standard rent is not in excess of 10 per cent net of the capital value of the dwelling the amendment shall not apply, and the only return the landlord shall be required to render is an affidavit to the effect that the rent received during the taxable year does not exceed the standard rent as defined in the amendment.

In the third section the provision is that when a person lets a dwelling house or any part thereof at a rent which includes payment in respect of the use of furniture which will yield the lesser a profit of 25 per cent per annum in excess of the standard rent of the dwelling unfurnished, the excess rent shall be taxed 50 per cent.

Then the next section provides that if the landlord rents more than one dwelling house or part of a dwelling house in excess of a standard rent, the excess rent shall be taxed 75 per cent.

It is unnecessary for the Chair to go into a long dissertation on what this amendment does. The Chair has come to the conclusion, after looking it over and examining its contents, that it is a manifest attempt to regulate rents and that it comes within the purview of the ruling of the Chair on the amendment offered by the gentleman from Virginia [Mr. MOORE] on his corrupt practices amendment, and the Chair sustains the point of order.

Mr. McKEOWN. Mr. Chairman, I respectfully appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from Oklahoma appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the committee? Those in favor of sustaining the decision of the Chair will rise and stand until they are counted.

The committee divided; and there were—ayes 142, noes 11.

The CHAIRMAN. So the decision of the Chair stands as the judgment of the committee. The Clerk will read.

The Clerk read as follows:

TITLE IV.—TAX ON CIGARS, TOBACCO, AND MANUFACTURES THEREOF.

SEC. 400. (a) Upon cigars and cigarettes manufactured in or imported into the United States and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid under the provisions of existing law, in lieu of the internal-revenue taxes now imposed thereon by section 700 of the revenue act of 1921, the following taxes, to be paid by the manufacturer or importer thereof:

On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$1.50 per thousand;

On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, \$4 per thousand;

If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, \$6 per thousand;

If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, \$9 per thousand;

If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, \$12 per thousand;

If manufactured or imported to retail at more than 20 cents each, \$15 per thousand;

On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$3 per thousand;

Weighting more than 3 pounds per thousand, \$7.20 per thousand.

Mr. GARNER of Texas. Mr. Chairman, I offer an amendment: On page 152, line 8, strike out the figure "3" and insert the figure "4."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARNER: On page 152, line 8, strike out the figure "3" and insert the figure "4."

Mr. GARNER of Texas. Mr. Chairman and gentlemen of the committee, I offer this amendment for the sole purpose of getting additional revenue in the Treasury and at the same time not injuring the business on which the tax is levied. If you gentlemen will look at the receipts for the last six months, from July 1, 1923, to January 1, 1924, you will see that in this bracket there is an increase in the revenue of nearly \$11,000,000 and a gross increase in consumption of cigarettes of something over 8,000,000,000.

This is undoubtedly a peace-time tax. I remember, as many gentlemen here remember, that prior to the war and prior to the constitutional amendment and the Volstead Act, when we wanted money we simply increased the tobacco and liquor taxes and got additional money. That is the only way we had to adjust our accounts and keep the budget balanced, either by increasing the liquor or the tobacco tax and the custom-house taxes. Those were about all the taxes we levied prior to the income-tax amendment; so that this is admittedly a proper tax and has been, I presume, for some 40 or 50 years. I do not know how long it has been since we began taxing tobacco.

Now, levy this additional \$1 per thousand on cigarettes and you get, in my opinion, \$60,000,000 additional revenue. I was told by the gentleman from New York [Mr. MILLS] a while ago that I would be mistaken as to the estimate of the additional revenue. I can not believe I am mistaken. I have great respect for Mr. McCoy's estimates, and you have not heard me attacking them, except where in obedience to the Secretary he has made out estimates at different times and for the future.

Now, the Secretary of the Treasury recommended this tax. In 1921 he recommended it as one of the taxes which Congress should pass in order to lower the surtaxes. He recommended the lowering of the surtax from 65 to 25 per cent, 32 per cent the first year and 25 per cent in the following years; and in order to make up for that loss this was one of the taxes he recommended. In that recommendation he estimated that the increase in revenue would be \$36,000,000 and over the first year and \$57,000,000 thereafter.

Since that time the increase in the consumption of cigarettes has been tremendous; and since you are getting more than \$200,000,000 a year out of this one bracket at the present time, I think it is safe to say that if you add one more dollar you can get \$60,000,000 additional without cutting down the consumption of cigarettes, because the consumption of cigarettes has increased in one year to the extent of 8,000,000,000, and the revenue in the last six months has been something over \$100,000,000.

I merely submit this increase of \$1 for the purpose of getting additional revenue upon an article which we all admit is a legitimate article of taxation and that we can tax it all the traffic will bear. I believe that is the rule, that when you admit a thing is subject to taxation you can levy just such taxes as will get the largest amount of revenue into the Treasury, and I know that by increasing the amount from \$3 to \$4 you will get more revenue into the Treasury. I do not think it will have any effect on the manufacture of cigarettes.

I remember at one time there was in this section a cigarette tax of \$4.50, but my friend from North Carolina—bless his memory—

Mr. HUDSPETH. Four dollars and fifty cents per thousand?

Mr. GARNER of Texas. Yes; my friend from North Carolina talked me down to \$4, and when we got over to the Senate they talked me down to \$3, and there you are. But still that bracket alone renders at the present time more than \$200,000,000, with an increased consumption of 8,000,000,000 cigarettes in one year. I think that statement alone is sufficient to show that you can levy that additional dollar tax without injuring the business in any material way. It means a 1-cent additional tax on each package of 10 cigarettes.

I hope the committee will find it advisable to adopt the amendment I have offered.

Mr. MORTON D. HULL. What is the tax now?

Mr. GARNER of Texas. Three dollars a thousand. I submit the amendment to the consideration of the committee.

Mr. SANDERS of Indiana. What is the highest tax that has ever been levied?

Mr. GARNER of Texas. The highest tax that has ever been levied is \$4.50. That was the amount carried in this section, as I tell you; then it was reduced to \$4 and then the Senate reduced it to \$3.

Mr. HUDSPETH. And the gentleman's amendment calls for \$1 more than the amount now carried in this bill?

Mr. GARNER of Texas. Yes.

Mr. HAWLEY. Mr. Chairman and gentlemen of the committee, I rise to oppose the proposal on the ground that it will not increase the revenues of the Government, but that any additional tax will be reflected back upon the grower of the tobacco out of which cigarettes are made.

Let us agree on the facts first. The income from cigarettes weighing not over 3 pounds to the thousand—and those weighing more than that are an insignificant factor—was \$182,000,000 for the fiscal year ending June 30, 1923. The consumption of cigarettes under the \$3 tax has very largely increased. In 1917 the consumption was 35,000,000,000 cigarettes; in 1918, 46,000,000,000; and in 1919, 53,000,000,000. Then the present rate of tax took effect and reduced the consumption to 44,000,000,000 in 1920, or 9,000,000,000 less than in 1919; in 1921, the consumption increased about 1,000,000,000; in 1922 it increased 5,000,000,000, and in 1923 it has increased about 10,000,000,000, so that the consumption in 1923 was about 60,000,000,000 cigarettes.

Now, I submit to you that this tax is doing well; it has increased the production and the consumption; it has afforded the growers a fairly good return for their crops and it is making a great deal of money for the Government.

It does not follow that if you increase the tax rate one-third you will increase receipts one-third. The present rate is \$3 per thousand for cigarettes not weighing more than 3 pounds to the thousand; that represents three-tenths of a cent on each cigarette or 6 cents on each package costing 15 cents for 20 cigarettes—that is, for a package of cigarettes costing 15 cents, such as Camel, Piedmont, and 90 per cent of all of them that are sold. When these cigarettes have paid a tax of 6 cents per package of 20 that leaves only 9 cents for the grower, the cost of manufacture, and the profit to manufacturer, wholesaler, and retailer.

If the tax is raised to \$4 per thousand the tax on each cigarette is increased to four-tenths of a cent, or 8 cents for a package of 20, costing 15 cents—that is, there will be an 8-cent tax, and 7 cents will be left to be distributed to the grower, to the manufacturer, to the wholesaler, and to the retailer—7 cents out of the 15 cents.

I submit that at that point the judgment of Mr. McCoy and Mr. Adams—that the tax has reached its maximum earning—is correct. Mr. McCoy said that the 3-cent tax would earn the Government a constantly increasing revenue, which is proving to be an accurate forecast.

Mr. QUIN. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. QUIN. Does the gentleman figure they would stop smoking cigarettes?

Mr. HAWLEY. I will come to that in due time. If at the 3-cent rate there is another increase of 10,000,000,000 for the next year, as there was for the past, there will be \$30,000,000 additional revenue received, but if we raise the rate to \$4 a thousand we jeopardize the continued growth of the industry and the continued increase in the use of cigarettes, with the probability, according to the actuary's estimates, that the consumption will be so reduced that the \$4 tax will produce practically the same amount as a \$3 tax.

Now, there are four possibilities in this proposed increase of the revenues. First, that it will reduce consumption and thus reduce the revenues, and I have already spoken of that. Second, the dealer will absorb the tax, but if he has only 7 cents left out of every 15 cents I think all will agree that he can not absorb the tax. It must be passed one way or the other. Now, the dealer might pass the tax on to the consumer and increase the price of each package of cigarettes. The usual rule is that with increased cost decreased consumption follows when the tax approaches the saturation point. If this were the only way in which tobacco could be used—

The CHAIRMAN (Mr. SANDERS of Indiana). The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, I ask for five minutes more. The CHAIRMAN. The gentleman from Oregon asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. HAWLEY. If this were the only way in which tobacco could be smoked the additional tax might be passed on to the consumer, but a man can smoke a cigar or a pipe or he can roll his own.

If we lose on the cigarette tax by reducing the consumption and people smoke pipes or cigars, we get less revenue, because the cigarette item is the great revenue producer in the tobacco list; and if a person wishes to continue to smoke cigarettes under the increased tax, we will also lose in taxes to the extent that they "roll their own." They have done that from time immemorial and will continue to do so, and if the amount charged them for a package of made cigarettes seems to be unreasonable, they will go back to the practice of using a bag of tobacco and papers.

But there is another possibility that I think is more serious, and that is it will reduce the price paid to the growers. At present the growers of the bright tobacco, which is made into cigarettes, receive about 23 cents a pound. That is about the price received for their crop last year. There were various grades; some sold for a higher rate and some for a lower rate; but the Virginia, North Carolina, and Kentucky bright tobaccos which go into the making of cigarettes, sometimes blended with Turkish or other tobaccos, were bought from the growers at about 23 cents. The grower is in the weakest position of all the persons involved in the transaction. The dealer can pass the tax on to the consumer, on the one hand, and if the consumer will not stand it and begins smoking a pipe or a cigar or makes his own cigarettes, then the manufacturer of the cigarette will endeavor to pass the tax back to the man who grows the tobacco; and that is the most likely contingency of the four, because the man who grows the tobacco is in the weakest position.

Mr. GARNER of Texas. Will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. GARNER of Texas. The gentleman will recall, because the gentleman was probably a member of the committee at that time, that in 1918, in making up this tax, I submitted certain figures to the Treasury Department upon the basis of raising \$500,000,000 from receipts from the tobacco clause, and they gave me an estimate of \$522,000,000 and the largest item was \$4.50 in this bracket. The Treasury Department at that time did not oppose this rate and thought they would get more money at \$4.50 than \$4.

Mr. HAWLEY. The committee disagreed and in 1918 put in the present rate and in 1921 continued the present rate, and the present rates are earning a large and growing amount of revenue. It is a continually growing business and produces a continually increasing amount of revenue, and why disturb a tax that has proven successful from the standpoint of revenue, with the possibility of greatly injuring the planters who grow the tobacco and whose circumstances are not good at present?

Mr. HUDSPETH. Will my friend yield? You stated that this would increase the cost and thereby would decrease the consumption. Has my friend figured out, if the dealer passes this on to the consumer, what amount this would increase the price of a package of Camel cigarettes, for instance?

Mr. HAWLEY. Two cents for each package of 20 cigarettes costing 15 cents, so that he would pay 8 cents tax, on a 15-cent package. And as the sale of cigarettes is now made on a bare margin of profit the tax will, if passed on to the consumer, increase the cost to him by the amount of the tax at least.

Mr. GARNER of Texas. One cent additional on each package of 10 cigarettes.

Mr. HAWLEY. They do not sell them in tens, as I understand it. They sell them in twenties.

Mr. GARNER of Texas. Some are sold in tens.

Mr. BURTNESS. As I understand the gentleman, the tax now being \$3 a thousand—

Mr. HAWLEY. Three dollars per 1,000 for cigarettes not weighing over 3 pounds to the 1,000.

Mr. BURTNESS. Yes; that would be 6 cents on packages that sell for about 15 cents, or really a sales tax of 40 per cent; is not that correct?

Mr. HAWLEY. Yes; at the present rates, but 8 cents under the proposed amendment, or 53 per cent. Now, just one other point. It may be said that we can get some revenue

from imported cigarettes. I have not here the statistics of imports, but let me quote you the facts.

The CHAIRMAN (Mr. DOWELL). The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, may I have one minute more?

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to proceed for one additional minute. Is there objection. [After a pause.] The Chair hears none.

Mr. HAWLEY. The tariff on cigarettes is \$4.50 a pound plus 25 per cent, which makes 1.69 cents for each cigarette. Add to that 0.4 of a cent for the tax collected here, and that will make a package of 10 cigarettes selling for 25 cents bear a tax of 21 cents, so you can readily see that there will be no sales.

Mr. GARNER of Texas. They are imported cigarettes.

Mr. HAWLEY. I am speaking of the fact that we would not get any income at all from the imported cigarettes. This would entirely cut that out.

Now, from the standpoint of the revenue, I believe we are getting more money now than we would under an increased rate, and from the standpoint of the grower we are giving him an opportunity to sell his tobacco at a moderately fair price, but if we put on this tax, the grower, being in the weakest position, will probably bear the increase, in large part at least, that arises out of the imposition of an increased tax.

Mr. ABERNETHY. Mr. Chairman and gentlemen of the committee, I dislike very much to take issue with my distinguished friend from Texas, and I would not do so but for the fact that this proposed tax which he has sprung here in the Committee of the Whole, without any consideration being given it by the Ways and Means Committee, creates a very unjust burden upon the State that I in part represent.

I want to call the attention of this House to the fact that North Carolina pays more revenue tax on tobacco than any other State in the Union. I want to call your attention to this further situation: The entire amount of cigarettes manufactured, weighing not more than 3 pounds per thousand, were 55,763,022,618. North Carolina alone made cigarettes to the amount of 26,619,287,857.

Now, I want to ask this House, in all fairness, is it right to raise \$60,000,000, one-half of which will come out of one State alone, and that State paying more revenue on cigarettes than any other State in the Union?

As I understand it, we came here for the purpose of reducing taxes. I have gone just as far as I could with my friend from Texas [Mr. GARNER]. Some of you gentlemen may vote for this proposition on the theory it will help us raise a soldiers' bonus, but I want to call your attention to the fact that you are making the boys who smoke the cigarettes pay for their own bonus. The man who smokes cigarettes made in my State, like the Piedmont, and cigarettes of that character, are the fellows least able to pay the tax.

Mr. McKEOWN. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. McKEOWN. The gentleman's conclusion is that the boys who smoke will pay the tax?

Mr. ABERNETHY. Yes; in fact, what they do not pay will be taken off the price of tobacco paid to the farmer.

I represent people who not only raise tobacco but who smoke cigarettes.

Mr. GASQUE. Is not the tax passed on down to the farmer and also down to the consumer, so they get it both ways?

Mr. ABERNETHY. Yes; it does not help the men who make the cigarettes, nor does it help the farmer, nor does it help the consumer; it is like the nigger's fish trap—open at both ends, and catches them coming and going. [Laughter.] The manufacturer in a large measure passes it on to the consumer—what he does not take off the farmer in the reduced price paid for his tobacco.

Mr. WINGO. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. WINGO. Regardless of who is correct in this discussion, it seems that the tariff is not the only thing that is a local issue.

Mr. ABERNETHY. I am putting it up to this House. I do not have any hope of bucking against the situation here. I do not have any hope of defeating the amendment, because the motion of the gentleman from Texas [Mr. GARNER] will be acceded to by the House in all matters of taxation at this particular time, with the present temper of the House. I have been following the gentleman from Texas, but here is the parting of the ways. [Laughter.] I want to be absolutely frank about it.

Mr. DENISON. Will the gentleman yield? I think the gentleman is absolutely correct, and I am going to vote with him.

Mr. ABERNETHY. I hope so, and I hope I can get enough on this side to break the combination in this instance. That is the reason I am speaking. Now, I appeal to you gentlemen in all seriousness. Why should you take any State out of the 48 that is paying more tax on tobacco than any other State in the Union? Why do you want to put \$30,000,000 additional tax on that one State in a bill that proposes to reduce taxation instead of increasing it? [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. ABERNETHY. Mr. Chairman, I ask for five minutes more.

Mr. HAWLEY. Mr. Chairman, I ask that all debate on this amendment and amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FREAR. I object.

The CHAIRMAN. The question now is on the motion of the gentleman from Oregon.

Mr. SEARS of Florida. I thought the Chair said there was no objection to the request of the gentleman from North Carolina.

The CHAIRMAN. The gentleman from Wisconsin was on his feet.

Mr. SEARS of Florida. Then I object to the request of the gentleman from Oregon.

Mr. HAWLEY. Mr. Chairman, I move that all debate on the amendment and all amendments thereto close in 20 minutes.

Mr. FREAR. And I move to amend by making it 30 minutes.

The CHAIRMAN. Let the Chair ask the gentleman from Oregon if he makes his motion on the paragraph and all amendments thereto?

Mr. HAWLEY. Yes.

The CHAIRMAN. The gentleman from Wisconsin moves to amend by making it 30 minutes instead of 20, and the question is on the amendment to the motion.

The question was taken; and on a division (demanded by Mr. FREAR) there were 96 ayes and 80 noes.

So the amendment to the motion was agreed to.

The CHAIRMAN. The question now is on the motion as amended.

The question was taken, and the motion was agreed to.

Mr. ABERNETHY. Now, Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. LaGUARDIA. The gentleman said that his State out of 48 was singled out for this tax. Has not the gentleman been soaking my State the last four or five days? [Laughter.]

Mr. ABERNETHY. What has been done was with your consent.

Mr. McKEOWN. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. McKEOWN. This tax will be paid mostly by the survivors of the World War that we taught to smoke cigarettes, will it not?

Mr. ABERNETHY. Absolutely. Now, I hope the House will give me attention, for this is a serious matter. I realize the situation I am up against by bucking the leader on our side, but this is the situation that confronts me. Here you are picking out cigarettes for taxation, going to raise the tax on them. If you are going to raise the tax on cigarettes why not raise it on all tobacco, cigars, and smoking tobacco, why do you put it on one form of tobacco like cigarettes that the poor boys are smoking. You say you are going to use the money for the bonus for the soldier boys, but I am opposed to the soldier boys paying for their own bonus by your increasing the tax on cigarettes. That is the situation. [Applause.] I hope that the amendment will be voted down. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. BLANTON. What about the boys 14, 15, 16 years old?

Mr. ABERNETHY. There is a law against that.

Mr. BLANTON. Yes; but they all get them just the same if they happen to have a nickel or a dime.

Mr. ABERNETHY. This will not affect them.

Mr. FREAR. Mr. Chairman, I moved to have the time extended because we are informed by the gentleman from Texas who has offered the amendment that this amendment will raise fifty or sixty million dollars. I do not know whether he is right, nor does any one of us, nor will we know until

the returns are all in. If it will do that, it will do much to do away with what is called a threatened deficit by some Members on the Republican side. If that be true, I would like to provide enough funds so that we will not have a deficit. I am trying to save the bill which others are trying to destroy. If the gentleman is right I want to support the amendment. I say this incidentally in passing, that in Russia this last year I bought cigarettes at 50 cents a package of 20, and two-thirds of them had long paper stems, not one-half as good as your North Carolina cigarettes that cost less than half. They bought them all over that country, so that I have no fear at all but what they will pay the extra 2 cents in this country for cigarettes; if not, they can roll their own cigarettes and many of us can do that.

The thing that impresses me most of all is this division among the two political parties on the floor. It is getting to be a very anxious moment with me. The last gentleman who spoke, the gentleman from North Carolina [Mr. ABERNETHY] complains about his insurgency in getting away from his party leaders and coming over on the Republican side, and it is a very unfortunate situation, because I know what insurgency means. During the last two or three days we have seen the spectacle of the distinguished gentleman from Texas [Mr. GARNER] coming over to the Republican side and lining up with the distinguished Republican leader on this side, and also other leaders on the Democratic side have occasionally come over and been mixing up with leaders on the Republican side and have gone through the line of tellers. The only ones thus far who have been criticized are the so-called insurgent Republicans who joined with the Democrats on one vote on income-tax rates. The leaders on the Democratic side have opposed practically all of the amendments that I have offered, as they have a right to do.

Mr. McKEOWN rose.

Mr. FREAR. In just a moment. I want to speak of one thing that is more important than cigarettes. Yesterday the distinguished Republican leader said that he is going to propose an amendment on the income tax rates before we get through the bill. We have had this bill before us for about two weeks. Every man who has an intelligent understanding of taxes knows that the brackets as well as the percentages determine what is in any bill, and yet we have the leader telling us that he has not yet decided what his compromise proposition is going to be, but he is going to bring it in here at some time. I say that is not fair to those of us who want to study any proposition that comes in. I have a right to learn what this compromise measure is going to be which we are going to be called upon to vote on here in two or three days. I am not sure that I am going to vote with the gentleman from Texas [Mr. GARNER]. I am not voting on any partisan bill, a Democratic measure or a Republican measure, but I want to vote for the very best measure that is offered in my judgment. I want to see what this compromise bill is to be, and I do not want the previous question moved later so that we can not discuss it. It is one of the most important provisions in the bill and involves a matter of \$200,000,000 or more.

Mr. CLARKE of New York. I hope the gentleman will bring it in as soon as the gentleman will the question of the tax on cigarettes.

Mr. FREAR. I trust the tax on cigarettes will be brought in this afternoon, and I am supporting the gentleman from Texas for the second time.

Mr. OLIVER of New York. If the distinguished leader of the majority brings in a compromise suddenly, does the gentleman from Wisconsin not think that Mr. MILLS of New York will oppose it?

Mr. FREAR. Oh, I assume gentlemen on the Republican side are still in the majority, although I do not speak for a united vote on any measure or amendment that may be offered.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes, certainly.

Mr. MOORE of Virginia. The gentleman is a member of the Committee on Ways and Means?

Mr. FREAR. Yes; I have that honor.

Mr. MOORE of Virginia. And yet he says that his leader will not tell him what he has in his mind?

Mr. FREAR. I am simply saying that he said to the House yesterday that sometime he is going to propose a compromise measure, and I feel we are entitled to know what that is, because this is a nonpartisan measure, in my judgment.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. Mr. Chairman, I ask unanimous consent to proceed for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McKEOWN. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. McKEOWN. I just want to know if it would be in order under the present rules of the House?

Mr. FREAR. I am not sure. The gentleman with seven or eight of his associates on his appeal did not secure many votes, so I shall have to leave it to him, although I think he is a good lawyer and well able to pass judgment.

Mr. Chairman, we are entitled to know and we ought to know what this compromise on income tax rates is to be, so that we can study it, because every man knows that one can juggle taxes, that he can juggle rates and schedules, and we want to see what it is. I am making no assertions but am sincere in asking for particulars as to this proposed compromise plan.

I am asking that a statement given out yesterday may be incorporated in the RECORD as part of my remarks. I do this without criticism of anyone, but the statement herewith speaks for itself.

STATEMENT ASKING FOR VIEW OF THE PROPOSED COMPROMISE PLAN.

Republicans who are more interested in legislation than in partisanship ask to see Mr. Mellon's mysterious revised 37½ per cent compromise for the original Mellon bill which it is announced Mr. LONGWORTH will offer as a substitute. Percentages mean little until relation to amounts contained in tax brackets are revealed. We ask to examine the brackets, percentages, and all parts of the plan to learn just what it means before it is sprung on the House after debate has closed. That is the only fair course to pursue with a great tax bill involving \$200,000,000 in income-tax rates.

The so-called scientific Mellon bill juggled income rates and tax brackets so as to mislead the public. It used a 25 per cent tax rate for the \$100,000 bracket whereas the 25 per cent bracket in existing law taxes incomes of only \$54,000. The Mellon bill gave about 50 per cent reduction to large incomes but only 2 per cent cut on normal tax to the small taxpayer. This comes through juggling of tax brackets.

The Mellon bill can not be resurrected, but we ask to learn if Mr. Mellon's substitute is the Mellon bill under a different title and arrangement of brackets and rates.

Constant press reports of dissatisfaction among so-called insurgents credited to Mr. LONGWORTH we are not disturbed about. We do ask him to put his 37½ per cent Mellon revised tax plan in the RECORD, where it can be seen and studied. We have made no coalition with Democratic Members, and never have had any. The Garner plan is not nearly as good as the one we offered, either "scientifically" or to administer, but it is far more just than the Mellon bill. It favors 3,500,000 taxpayers, where the Mellon bill favors 4,223, who get \$75,500,000 tax reduction, or 50 per cent more than the 3,500,000 will receive. That is not politics but a cold fact in dollars and cents. Politics had no part in our support of the Garner plan.

Twice we have offered compromises to our Republican colleagues that would greatly relieve small taxpayers, and as regularly they have been rejected by Mr. Mellon, who controls the situation, so we are justly suspicious of any tax plan not fully understood in advance.

We offered four amendments in this committee affecting tax-free securities, undistributed profits, publicity of records, and excess profits. All were sound in principle and would have provided more than enough to reduce corporate normal taxes and to finance a soldiers' compensation bill.

These amendments were opposed by Democratic leaders, whether called insurgents or irregulars, who joined with Republican leaders for that purpose, as they had a right to do without criticism. We asked others to offer inheritance and gift tax amendments, which include original proposals offered by me several weeks ago. No pride of authorship occurs over any good amendment.

Secretary Mellon strongly opposed all of these amendments and any soldiers' bonus and opposes many other views we hold. Responsibility for the result rests with his attempt to force his bill through Congress aided by a press propaganda costing several million dollars.

As one of the wealthiest men in the world and a controlling factor in scores of great corporations, his viewpoint and ours naturally differ, but that does not make his views a standard of Republicanism.

We are free to act as a group and have had many Members come to influence us to accept some proposal of Mr. LONGWORTH

of a "sight unseen" jackknife plan that we suspect on analysis may be a twin sister of the Mellon plan. No one knows until it is submitted.

We insist Congress and the public are entitled to see any plan Mr. LONGWORTH expects to offer, in order that brackets, percentages, and estimates may be placed on the table for inspection.

After two weeks' debate and voting he still holds the mysterious "37½ per cent" proposal up his sleeve. We are not concerned in any party label on any tax plan, because it is not a political question, but we have supported the best plan thus far offered that will give relief to taxpayers least able to pay. Our own plan was better than either of the others now before the committee.

Five hundred million dollars was handed out by Congress last session to large income beneficiaries through the repeal of the excess-profits tax and reduction of surtaxes from 65 per cent to 50 per cent, the present rate. Ninety-four Republicans voted for the 50 per cent surtax rate last session, and we believe any 37½ per cent rates framed on the Mellon bill tax brackets, or half the rates of existing law, are unjust to taxpayers in the lower brackets, of whom 90 per cent receive under \$10,000 incomes.

The House is entitled to know the facts. That has been the trouble with the Mellon rates, which were prepared in secret, by whom or by what interests no one has yet been willing to state. We ask to see and study the substitute plan and to discuss it, if necessary.

Mr. SEARS of Florida. Mr. Chairman, I hope my friend from Wisconsin [Mr. FREAR] will give me his attention, because I have listened with a great deal of pleasure to his remarks. He stated what we all know, that many on his side do not even know what program they are going to follow. I do not want to repeat a speech, but after my remarks of last week, wherein I stated I believed the gentleman from Wisconsin was sincere in his demand for 50 per cent, I repeat now that I will first have to see a record vote before I will believe that he has agreed to any compromise.

Mr. FREAR. There is no proposition before us for more than 50 per cent. My own proposition was defeated.

Mr. SEARS of Florida. That was two years ago.

Mr. FREAR. No; this time.

Mr. SEARS of Florida. I mean the old rate was 50 per cent two years ago. The gentleman is now arguing for 50 per cent. The Garner plan is 44 per cent. I think it was day before yesterday I again saw in the newspaper that the majority leader—and you people are in power still—was dealing with what he called the insurgents, on the Republican side, and was perhaps going to raise the ante—as I said in my remarks before. I said the other day that I refused to believe that the gentleman from Wisconsin [Mr. FREAR] was in the game, and I want to say that I do not believe that a majority of those 69 men who stand for 50 per cent and who still think it ought to be 50 per cent are going to make this deal.

Mr. FREAR. The maximum is 50 per cent, and that means nothing unless you know what bracket it comes in.

Mr. SEARS of Florida. The gentleman knows what bracket the 44 per cent comes in.

Mr. FREAR. Yes.

Mr. SEARS of Florida. In other words, the Democrats have laid their plan on the table?

Mr. FREAR. Yes.

Mr. SEARS of Florida. But you do not yet know where you are, as far as your party is concerned, and you are now asking to be told.

Mr. FREAR. Not to be told, but to learn what is their proposition.

Mr. SEARS of Florida. The gentleman ought to be in a party where he can learn.

Mr. FREAR. But we would have to be tied up then.

Mr. SNYDER. The gentleman said that the Garner plan was laid on the table. That is not the last table it is going to be laid on.

Mr. SEARS of Florida. That is about as correct as your first guess, for I still refuse to believe that all on the Republican side have forgotten the people back home, those who sent them to Congress. When I think of my good friend, Mr. MILLS, the gentleman from New York, shedding crocodile tears for the poor, because the inheritance taxes begin to increase after you reach \$450,000, I wonder how many in our districts are worth that amount and how many it affects. But that is not the purpose which I desired to talk about. The final vote will tell exactly where each Member stands.

My good friend from North Carolina, Mr. ABERNETHY, is very deeply interested in North Carolina. He ought to be. It is a great State. But in my State we manufacture cigars. I

would like to get some changes made in the rates on cigars. But I realize—

Mr. ABERNETHY. Mr. Chairman, may I interrupt the gentleman?

Mr. SEARS of Florida. Certainly.

Mr. ABERNETHY. They do not tax cigars. Why should you be concerned?

Mr. SEARS of Florida. Oh, yes; they are in here.

Mr. ABERNETHY. Not this increase. That is the point I am making. You fellows who have cigars are not willing to tote fair with the cigarette folks.

Mr. SEARS of Florida. I remember, when the first tax was placed on cigarettes, the same argument was made to have it changed back, and for months and months or a year or more those who smoked cigarettes paid 10 cents a package and got only 8 cigarettes. You can buy them down town and at other places now for 12 and 13 cents a package, and it has not resulted in helping the producer. My good friend from North Carolina need not be concerned about \$3 or \$4 or \$5 helping the producer. Just to show you I am correct, let me call your attention to the fact that while in the Capitol restaurant you pay 40 cents for a Florida grapefruit, the producer is getting only about 1 cent apiece and can not even sell all the fruit he has at that price.

The CHAIRMAN. The time of the gentleman has expired. Mr. SEARS of Florida. Mr. Chairman, at a later date I will go into this question fully. I will not ask for more time now, as I know we have had a hard day.

The CHAIRMAN. The time of the gentleman from Florida has expired. The question is on agreeing to the amendment, which the Clerk will again report for information.

The Clerk read as follows:

Amendment offered by Mr. GARNER of Texas: Page 152, line 8, strike out the figure "3" and insert in lieu thereof the figure "4."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. HAWLEY. A division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 109, noes 70.

Mr. ABERNETHY. Mr. Chairman, I demand tellers.

The CHAIRMAN. Tellers are demanded.

Tellers were ordered, and the Chairman appointed Mr. GARNER of Texas and Mr. ABERNETHY to act as tellers.

The committee again divided; and there were—ayes 117, noes 85.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Every manufacturer of cigarettes purchasing any cigarette paper made up into tubes (a) shall give bond in an amount and with sureties satisfactory to the commissioner that he will use such tubes in the manufacture of cigarettes or pay thereon a tax equivalent to the tax imposed by this section and (b) shall keep such records and render under oath such returns as the commissioner finds necessary to show the disposition of all tubes purchased or imported by such manufacturer of cigarettes.

Mr. DAVEY rose.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. DAVEY. I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. DAVEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DAVEY. I would like to speak with reference to the Green amendment. Must I ask unanimous consent to proceed out of order?

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. GREEN of Iowa. I shall have to object.

Mr. DAVEY. It is with reference to the Green amendment. I hope the gentleman will withhold his objection.

Mr. GREEN of Iowa. That has been fully discussed. I want to get along with the bill. We must stop these retroactive discussions.

Mr. DAVEY. This is a very serious proposal that I have.

Mr. GREEN of Iowa. I regret to have to object. The gentleman can get some time later on. I want to push along this afternoon.

Mr. DAVEY. It will take only five minutes, and then it will be through.

The CHAIRMAN. Objection is heard. The Clerk will read. The Clerk read as follows:

(c) Sales or shipments of leaf tobacco by a dealer in leaf tobacco shall be in quantities of not less than a hogshead, tierce, case, or bale, except loose leaf tobacco comprising the breaks on warehouse floors, and except to a duly registered manufacturer of cigars for use in his own manufactory exclusively.

Dealers in leaf tobacco shall make shipments of leaf tobacco only to other dealers in leaf tobacco, to registered manufacturers of tobacco, snuff, cigars, or cigarettes, or for export.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Oklahoma moves to strike out the last word.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I rise to call your attention to the fact that in this section we have to deal entirely with the regulation of leaf tobacco. It has become a rule now—I suppose you would call it "the rule of expediency"—that any measure that has to do with regulation is out of order in the House. This shows you what the amendment to the rules has at last gotten us into, and I am not going to be the only one who is going to suffer from the rule. It is within the power of this House under the present rule to put out of order anything that is not expedient or anything that the House does not want to consider if there is a majority who prefer not to consider it. You have not any precedent now by which you can declare anything in order. You have not any precedent to govern yourselves except the rule of expediency. That is all you have got. [Applause.]

Here is an amendment, a provision, which, if it were offered now in this House the committee might not want to consider it, because, forsooth, it regulates leaf tobacco. I have offered an amendment to this House that did not have a single regulatory provision in it. It was a simple taxing method, but it was not expedient for the House to consider it.

I am going to say something else to you gentlemen on the committees in this House. I am going to say this: What inducement do you give a Member of this House who desires to exercise his rights as a Member here? What inducement do you give him who desires to prepare himself to legislate and comes here with that purpose in mind? Is it going to be that the committees of the House are going to report bills in and the rest of us just sitting by and take what you give us? So far as I am concerned, I am one Member who is not going to swallow everything that some committee or some department sends in here. [Applause.] That is the cause of the opposition I had to the so-called Mellon plan.

No department has the right to assume to give its name to a bill to be passed through the House of Representatives.

Now, what happens in this House when a man outside of a member of the committee offers an amendment? The committee will vote against him, even if it is a worthy amendment, because they do not want the bill amended.

Mr. GREEN of Iowa. I have repeatedly accepted amendments from Members outside of the committee. I did so yesterday.

Mr. McKEOWN. Well, they are very small amendments, and they are figured not to hurt anything when the gentleman accepts them.

I am telling you the truth when I say that the membership of this House is gagged when it comes to the proposition of offering an amendment to a bill, because they come on the floor with the determination that no amendments will be put onto the bill if they can help it, no matter who offers them and how worthy they are.

Now, gentlemen, I say that the proposition now is the rule of expediency; if your amendment is expedient and one that it is expedient to consider, it is in order and it can be considered; but if it is not expedient it will be ruled out of order, and the House can do so. That is what you now have in your rules. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. The Clerk will read.

The Clerk read as follows:

(e) Every dealer in leaf tobacco—

(1) Who neglects or refuses to furnish the statement, to give bond, to keep books, to file inventory, or to render the invoices, returns, or reports required by the commissioner, or to notify the collector of the district of additions to his places of storage; or

(2) Who ships or delivers leaf tobacco, except as herein provided; or

(3) Who fraudulently omits to account for tobacco purchased, received, sold, or shipped; shall be fined not less than \$100 or more than \$500, or imprisoned not more than one year, or both.

(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him.

Mr. KINCHELOE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KINCHELOE: Page 160, strike out all of lines 9, 10, and 11, and insert the following:

"(f) For the purpose of this section a farmer or grower of tobacco or tobacco growers' cooperative association shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him or handled by such association. As used in this section the term 'tobacco growers' cooperative association' means an association of farmers or growers of tobacco organized and operated as sales agent for the purpose of marketing the tobacco produced by its members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity and quality of tobacco furnished by them.

Mr. GREEN of Iowa. Mr. Chairman, I will accept that amendment.

Mr. KINCHELOE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KINCHELOE. Has there been general unanimous consent granted to extend remarks in the Record?

The CHAIRMAN. Yes.

Mr. KINCHELOE. Then, Mr. Chairman, I ask unanimous consent, in the extension of my remarks, to print in the Record the regulations of the tobacco department of the Treasury relative to the existing law.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to extend his remarks in the Record and include the regulations of the tobacco department of the Treasury relative to the existing law. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken and the amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I ask unanimous consent to return to page 156 and amend lines 15 and 16 in accordance with the amendment just agreed to.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to return to page 156 for the purpose of submitting an amendment as indicated. Is there objection?

Mr. BLANTON. We want to know what the amendment is.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 156, line 16, strike out "reenacted without change," add a comma, and insert in lieu thereof the following: "Amended to read."

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HAWLEY. The language to be stricken out is this: "Reenacted without change." Since we have made a change in the paragraph that language becomes untrue and the change is made to conform to the facts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V.—TAX ON ADMISSIONS AND DUES.

SEC. 500. (a) On and after the date this title takes effect, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 800 of the revenue act of 1921—

(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, including admission by season ticket or subscription, to be paid by the person paying for such admission; but where the amount paid for admission is 50 cents or less, no tax shall be imposed;

(2) Upon tickets or cards of admission to theaters, operas, and other places of amusement, sold at news stands, hotels, and places other than the ticket offices of such theaters, operas, or other places of amusement, at not to exceed 50 cents in excess of the sum of the established price therefor at such ticket offices plus the amount of any tax imposed under paragraph (1), a tax equivalent to 5 per cent of the amount of such excess; and if sold for more than 50 cents in excess of the sum of such established price plus the amount of any tax imposed under paragraph (1), a tax equivalent to 50 per cent of the whole amount of such excess, such taxes to be returned and paid, in the manner and subject to the interest provided in section 603, by the person selling such tickets;

(3) A tax equivalent to 50 per cent of the amount for which the proprietors, managers, or employees of any opera house, theater, or other place of amusement sell or dispose of tickets or cards of admission in excess of the regular or established price or charge therefor, such tax to be returned and paid, in the manner and subject to the interest provided in section 603, by the person selling such tickets;

(4) In the case of persons having the permanent use of boxes or seats in an opera house or any place of amusement, or a lease for the use of such box or seat in such opera house or place of amusement (in lieu of the tax imposed by paragraph (1)), a tax equivalent to 10 per cent of the amount for which a similar box or seat is sold for each performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder, such tax to be paid by the lessee or holder; and

(5) A tax of 1½ cents for each 10 cents or fraction thereof of the amount paid for admission to any public performance for profit at any roof garden, cabaret, or other similar entertainment, to which the charge for admission is wholly or in part included in the price paid for refreshment, service, or merchandise; the amount paid for such admission to be deemed to be 20 per cent of the amount paid for refreshment, service, and merchandise; such tax to be paid by the person paying for such refreshment, service, or merchandise. Where the amount paid for admission is 50 cents or less, no tax shall be imposed.

Mr. RAINEY. Mr. Chairman, I offer the following amendment: In line 17 on page 160 strike out the figures "10" and insert "20."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAINEY: Page 160, line 17, strike out the figures "10" and insert in lieu thereof the figures "20."

Mr. RAINEY. Mr. Chairman, this clause, placing a tax on admissions and dues, has not been changed since 1918, except that in the act of 1921 admissions to theaters charging less than 10 cents were not taxed. The change proposed in this section in the pending bill exempts from taxation admissions of 50 cents or less.

This is intended to reach the moving-picture houses of the country. We have now added so much to the revenue in the cigarette tax, in the stock-distribution tax, in the estate tax, and I expect later on to introduce an amendment to the excise taxes which will restore the chewing-gum tax of 1913, that we can now venture, I think, to discuss some educational matters and to examine into the effect this tax has had upon the theaters of the country.

I do not intend to attempt to disturb the exemption which is given to admissions of 50 cents and under. I am indebted to Augustus Thomas, the great dramatic writer—who appeared before the Ways and Means Committee—for the alarming facts to which I shall call the attention of the committee.

Mr. Thomas appeared before the committee speaking for the National Theater Managers' Association, the Actors' Equity Association, the Authors' League of America, the Producing Managers' Association of New York, the International Theater Association, the Organization of the American Dramatists, and the Actors' Fidelity Association. These modest gentlemen, comprising these theatrical organizations, took just as little of the time of the committee as they could, and they have taken just as little time of the Members of the House as they possibly could, and, therefore, I am going to attempt to present their case.

There has been no propaganda exerted by them; there have been no flaming advertisements on moving-picture screens, but they have presented their case modestly through Augustus Thomas, one of the world's greatest playwrights, and this is their case:

The effect of this tax on theater admissions in three years has been to reduce the number of theaters in which the spoken drama is housed from 1,200 houses to 400 houses. In the medium sized and in the smaller cities in three years the number of theaters in which the spoken drama is housed has decreased from 800 to 200. In other words, this tax in three years has cut off 66 per cent of the theaters in the country, and 75 per cent of the theaters in the cities.

The CHAIRMAN (Mr. GRAHAM of Illinois). The time of the gentleman from Illinois has expired.

Mr. RAINEY. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. RAINEY. There are still left out in the country towns and in smaller cities 500 community theaters and they are also rapidly disappearing.

It is unusual in the history of the world to impose a tax upon education, upon cultural instrumentalities, but that is what we do in this section.

Mr. TREADWAY. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. TREADWAY. Will the gentleman kindly tell the House the effect of his amendment on the higher-priced admissions?

Mr. RAINEY. Yes; that is what I want to do. The effect of the tax on the higher-priced admissions has been to reduce the number of theaters 66 per cent.

Mr. TREADWAY. No; the gentleman misunderstood me—the effect of his amendment on the higher-priced admissions.

Mr. RAINEY. The effect of my amendment on the higher-priced admissions will be to make the tax 1 cent for each 20 cents. It stands now at 1 cent for each 10 cents, and has stood at this rate since this tax has been in effect.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. GREEN of Iowa. Does not the gentleman recognize that the number of what are commonly called legitimate theaters was cut down a great deal by the competition of the moving pictures before we had any admission tax at all?

Mr. RAINEY. I think that is true, but in the last three years there has not been much development in the movies. In the last three years there has been only this tax to which Mr. Thomas and his colleagues can trace the decreased number of theaters in that period. This tax operates exactly as if we put a tax collector at the door of every schoolhouse in the United States and demanded a tax of every pupil as he entered the schoolhouse.

Mr. DAVEY. Will the gentleman yield?

Mr. RAINEY. Yes, sir.

Mr. DAVEY. I was wondering if the depression of 1921 had anything to do with the decrease in the number of theaters after the lapse of the excessive prosperity of preceding years. I was wondering if that might not have had something to do with it.

Mr. RAINEY. It might have had something to do with it; yes.

Mr. TREADWAY. Suggesting an admission price of \$2.50, the practical effect of the amendment would be as follows, would it not? The present law of 1 cent on each 10 cents, as in the bill, is a 10 per cent tax and therefore there would be a 25 cent tax on a \$2.50 admission, and the purchaser would pay \$2.75, whereas under the gentleman's amendment he would pay \$2.63.

Mr. RAINEY. He would pay half as much in taxes; yes.

Mr. TREADWAY. Twelve and a half cents.

Mr. MOORE of Virginia. What has been the effect upon the revenue produced?

Mr. RAINEY. The revenues have been falling off. In 1918, on admissions we got \$26,357,338.81; in 1919, \$50,919,218.42; in 1920, \$76,920,955.43; in 1921, \$89,730,831.99; in 1922, \$73,384,955.61; and in 1923, \$70,175,197.11. Nineteen hundred and twenty-one was the peak year. It has commenced to recede again.

This amendment will not wipe out the tax. It is impossible to tell how much revenue will be lost, but we estimate that we lose probably \$25,000,000 or \$30,000,000 by permitting moving pictures charging an admission of 50 cents and less to operate without this tax, and this will probably remove from the revenue receipts an income perhaps as large.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RAINEY. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five additional minutes. Without objection, it is so ordered.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. RAINEY. Yes.

Mr. BLANTON. As an illustration, take the situation here in Washington and take a theater like Keith's, where a few years ago they charged \$1 for high-class vaudeville. They now charge \$2, and with the tax the admission is \$2.20. Under the gentleman's amendment, if they wanted to go back to \$1, which they ought to do in normal times, we would only get a tax of 5 cents.

Mr. RAINEY. I am not so much interested in vaudeville of the Keith type as I am in the drama, which has an educational and a cultural influence.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. GARRETT of Tennessee. As I understand it, removing the tax, as is proposed in the bill, on the 50-cent shows, which

are really the movies, the amendment proposed by the gentleman will substantially equalize, so far as the tax is concerned, the movie with the spoken drama.

Mr. RAINEY. That is it exactly. The section will give up about as much revenue for the spoken drama as we give up for the movies.

Mr. GARRETT of Tennessee. And it prevents favoritism, so far as the taxing power is concerned, to the movie as against the spoken drama.

Mr. RAINEY. Yes; that is it exactly.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. RAINEY. In just a moment I will be very glad to yield. In other words, under this clause as it stands now we have made it possible to see Douglas Fairbanks in his athletic stunts without paying a tax. We can see Pola Negri in her graceful Spanish dances without paying a tax. All of you gentlemen can do that if you so desire. We can see William S. Hart with his revolvers and his horse play without paying a tax.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. RAINEY. We can see any of those people who figure in the scandals and in the murders and in the opium horrors of Hollywood—we can see any of them without paying a tax, but if we go down here to see a Shakespearian production or to see one of Augustus Thomas's dramas, or anything that provides a really proper emotional outlet for the people of this country, we are taxed for it.

Mr. LA GUARDIA. The amendment of the gentleman does not disturb the 50-cent exemption?

Mr. RAINEY. No; not at all.

Mr. LA GUARDIA. Does not the gentleman believe that to carry out his purpose we could bring that exemption up to \$1?

Mr. RAINEY. I do not know that I understand exactly the effect of the gentleman's suggestion.

Mr. LA GUARDIA. Instead of the amendment suggested by the gentleman, I was asking if we could not bring the exemption up to \$1 instead of 50 cents, as now in the bill.

Mr. RAINEY. That might, indeed, help some, and if I can not get this through I will offer that amendment, if the gentleman does not offer it himself.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. GREEN of Iowa. I never went to see Pola Negri, perhaps the gentleman has, but when I went to see Douglas Fairbanks I had to pay a Government tax.

Mr. RAINEY. Well, you will not now, unless they charge over 50 cents.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. SCHNEIDER. We get a lot of Mellon tax propaganda in return for that admission.

Mr. RAINEY. Well, you can see that at the movies without paying a tax, as this bill now stands. You can go to the movies and you can suffer all the emotional pangs you feel like suffering, but there is nothing in the movies that appeals to the intellect.

The unspoken drama does not improve the English of the country. It does not have the cultural effect that the spoken drama does. Since we have put up the tax on estates and the tax on cigarettes to the amount of \$60,000,000, as the gentleman from Texas states, has not the time come to do something for the education of the young of the country and the culture of the country? The taxes on the spoken drama are in effect a tax on culture; it is like reaching out from some unknown source with a hand of steel and throttling the sculptors as they produce their masterpieces, which appeal to the culture of those of this generation and the next. It is like stilling the hand of the painter at his work. We measure the culture, the progress, and the advance of any era in the history of the world by calling attention to the drama of that period and to the art of that period in all its forms. You might as well tax painting and sculpture as to tax the drama. [Applause.]

And may I call attention to the Chautauqua organizations of the country and to the lyceums. They struggle along now under many difficulties. In every community reached by these organizations a few public-spirited citizens guarantee that the receipts shall not fall below a certain amount. When there are deficits, the guarantors make them good, and there never were as many deficits as now. This amendment will relieve them of a great burden—this tax collected on single admissions. Has not the time come to relieve them from the war taxes they pay? The amendment suggested by the gentleman from New York [Mr. LA GUARDIA] would do it. The communities which sustain these Chautauquas have submitted

to these war taxes as long as they ought to submit. There ought to be a little propaganda started in favor of education and culture, and there ought to be less of the other kinds of propaganda to which this Congress has been subjected. The time has come when those who lead in the intellectual life of the smaller communities and who pay these Chautauqua deficits should demand of their Representatives here that they be relieved of the burden imposed by these war taxes. We may as well give them some relief now; if we fail, they will get it in the Senate, if they try. Neither the Senate nor the House can stand against the demands they can make. And the effort I am making now may have the effect of causing 5,000 communities throughout the land to demand of their Representatives that they be relieved of these taxes which bear so heavily on the intellectual life of the smaller cities. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. TILSON. Mr. Chairman, in order to get the floor I rise in pro forma opposition to the amendment of the gentleman from Illinois, although I am really in favor of it. I am very glad to have the valuable aid of the gentleman from Illinois in securing the reduction on theater admissions. Since we have been giving away so many confidences in the committee, I wish to give away one of my own, but none other, and say that in the committee I strove strenuously to reduce the taxes on admissions. I wished to eliminate them altogether; but if it were not possible to eliminate the tax entirely, I contended that the exemption should go at least as high as \$1. I was very desirous of favoring what in college days we were accustomed to call gallery gods. You all know the class I mean, the young man or young woman who wishes to see a good show but who can not afford to pay the fancy prices charged for an orchestra seat, but who can go into the gallery. One dollar will pay for a gallery seat at the very great majority of first-class performances of the spoken drama.

Mr. TREADWAY. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. TREADWAY. Without further breaking confidences in the committee, is it not fair to say that the gentleman's position had considerable support from others of us in the committee?

Mr. TILSON. Yes; the gentleman from Massachusetts is entirely correct. We did our best in the committee, each one trying to have put into the bill the things he thought for the best interest of his constituents and of the country. On account of the revenue that must be raised, we could not do all that we should have liked to do, like taking the tax off of automobiles and many other things for which there is no sound economic reason for having to bear a discriminatory tax. But we could not remove all of these taxes on account of the loss of revenue. The drama was one thing about which there was a very deep concern on the part of a number of members of the committee, and I for one am glad to have such valiant support as the gentleman from Illinois always gives when he favors a proposition.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. HUDDLESTON. Is not the tax on theater tickets a form of sales tax?

Mr. TILSON. Yes it is a very heavy sales tax and there is no economic justification for it. The only justification is that we must raise the revenue somewhere, on some industry that can stand it. It is a practical question that we have been considering from the beginning.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. TILSON. I will.

Mr. BLACK of Texas. Does not the gentleman think that it would be more just to remove the tax on transactions in the form of promissory notes and deeds of conveyance?

Mr. TILSON. Such taxes ought to be removed if they can be, but let me tell the gentleman that this is a tax on education. It is more than a tax on education because of the relaxation that the theater gives, the value of which to our human kind no one can estimate. The stimulation it gives may mean much more than can be measured by the price of admission or the tax.

Mr. YOUNG. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. YOUNG. I sympathize with the gentleman in reducing taxes wherever it can be done, but I want to ask the gentleman has there been any request of the committee or of Congress, as far as the gentleman knows, from these parties concerned to take off the tax or reduce it?

Mr. TILSON. No, there has not; but I think some of us can see what the effect of a tax like this is.

Mr. NEWTON of Missouri. The gentleman from Illinois referred to the decrease of theaters which had been considerable. Does the gentleman attribute that to the tax on admissions?

Mr. TILSON. That is one of the reasons.

Mr. NEWTON of Minnesota. Coincidental with other causes, Mr. TILSON. Undoubtedly the tax has had its effect, and I for one believe that the spoken drama as well as the moving pictures ought to be encouraged.

Mr. VESTAL. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. VESTAL. Does not the gentleman think that a theater that charges \$4 admission for a ticket ought to be taxed? [Applause.] Let them put the price down so that people can go to them; they have got the prices up where nobody can go.

Mr. TILSON. I have not the time to go into that. My position when overruled as to eliminating all admission taxes was to exempt the tickets up to \$1. If the gift tax and the cigarette tax are going to produce so much revenue—which I think they will not—we may still be able to put the exemption up to \$1.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLS. Mr. Chairman, I, too, like the gentleman from Connecticut [Mr. TILSON], am more than gratified to find myself on the same side with the distinguished gentleman from Illinois [Mr. RAINEY]. As he has so well stated, there is a serious situation in this country to-day. Throughout the country the small theater is rapidly disappearing. It is not entirely due to taxes. It is due to high transportation rates which make it difficult to transport the company from town to town for one-night stands. It is due to the great popularity of the movies, and it is due to high taxation. Mr. Chairman, if you want to look for the soul and the spirit of a nation, where do you look? You look to its literature and as part of that literature the spoken drama stands out. As Mr. Thomas so well pointed out to the Committee on Ways and Means, it is not fair to object by saying that at any one time the spoken drama as presented in the country in a given year, or even in a series of given years, can be classified as real literature. You never can tell what young man is maturing unknown and will some day develop the genius which will blossom forth and express in the written drama or in some written work the soul and spirit of America. Therefore anything which tends to discourage literary effort and production, which tends to discourage culture, is something which we should eliminate to the fullest possible extent.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Yes.

Mr. BEGG. If this amendment be adopted, does it not affect all admissions for all kinds of entertainments, boxing matches, and everything above 50 cents? And if it does, what percentage of the total exemptions are the kind that the gentleman is talking about, as also were the gentleman from Connecticut and the gentleman from Illinois?

Mr. MILLS. There were two forms of tax exemptions proposed. One was to raise the exemption from 10 cents to 50 cents, or from a dollar to a dollar and a half. That is ill balanced because it relieves all those below a certain amount and exacts a full tax on all admissions above a certain amount. It is generally said that the poor man goes to the movies and that the rich man can well afford to pay a higher price for the legitimate drama, but anyone who has stood outside of the Metropolitan Opera House in New York City, for instance, at about 6 o'clock in the evening, and has seen the long line formed on Broadway prepared to wait two hours in the cold to buy the cheap seats in the gallery, will know that love of good music and fine opera is not limited to those sitting in the boxes. [Applause.] As Mr. Thomas pointed out to me, while a man of small means may not often go to the theater or opera, and may go to the movies frequently, he does like to save up and certainly three or four times a year at least go and see something that will give him intellectual and spiritual stimulus in the form of a real drama of merit.

Just raising the exemption is an ill-balanced proposition. The proposition which the gentleman from Illinois [Mr. RAINEY] suggests, and which was not suggested in the committee, appears to me to be eminently fair. If we can reduce the tax, reduce it right down the line, putting all of these enter-

tainments on exactly the same basis, and relieve them, if we are going to relieve them, by the same percentage. Do not say that we are going to relieve the movies, that we are going to relieve the cheaper forms of entertainment, but that we are going to keep the maximum war tax as it exists to-day on that sort of entertainment which can be classified as art and which is of real educational and cultural benefit to our people.

Mr. FREAR. Mr. Chairman, I am deeply touched by the plea which has been made for the Metropolitan audience, and I also have seen hundreds of people there in line sitting, standing, and waiting for the box office to open, and it touches my heart to feel that those people are not going to sit there longer with the present tax imposed upon them, but that if we cut this tax in half and make it a few cents less they will have their chairs and their boxes reserved all along Broadway, as you see them to-day sitting patiently waiting for the box office. I also feel sympathy, and I am honest about it, for the gentleman from Illinois [Mr. RAINEY], who has made an honest, persuading appeal and who by the way has come over on this side to join with the new Republican insurgents. I tell you it is a dangerous thing to be called an insurgent, and the new brand is here supporting his plea for theater tax reduction. He is right undoubtedly, and we heard Mr. Thomas speak correctly so far as the educational effect goes; we are all agreed with both gentlemen, but do you realize, gentlemen of the committee, that you have been scolded time after time by the gentleman from New York who just took his seat because by the Garner amendment you have reduced tax receipts two or three hundred million dollars below the amount of necessary Treasury receipts? Next comes the automobile tax, that will be urged for a tax cut, and on top of that you are going to have the same plea made for a cut in the jewelry tax. Then comes the bonus for soldiers, and the gentlemen who are to-day urging the theater tax cut will be lined up against the bonus. They were against the effort to put a little more money into the Treasury through increased cigarette tax, but when it comes to the reduction of theater taxes—

Mr. TILSON. Oh, I did not think that it would add anything to the Treasury receipts.

Mr. FREAR. If you gentlemen are going to have a deficit of over \$200,000,000 which is threatened by these friends on this side, and of course it depends upon the particular measure on which gentlemen are speaking as to their support or opposition, I suggest that if you want to save your tax bill, my Democratic friends—and it is your bill they say it is over here on the Republican side—be careful about some of these propositions your new friends are trying to vote onto the bill.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. BACHARACH. The purpose, as I recall it, before the committee in asking for a cut in the admission tax was to take care of the theaters in small communities.

Mr. FREAR. Yes, in part.

Mr. BACHARACH. It was not to take care of the theaters in the large centers.

Mr. FREAR. It has not been shown what amount of money would be taken from the Treasury; it has not been shown at all that it will add one person to the audience through increased attendance by cutting the tax, however desirable. Mr. Thomas came before us, and I admire him, but you can not eat your cake and keep it, and if you want to preserve your bill I suggest to you gentlemen not to approve some of these tax cuts. We can not grant all the appeals, however worthy. I do not question the weight of argument, but why jeopardize the bill with unexpected tax cuts if a deficit is threatened?

Mr. Chairman, I again call attention to the 37½ per cent compromise tax proposal that is to be offered some time by a distinguished gentleman on this side of the aisle, and again I urge that we may know what he expects to offer and will we be given time to discuss the mysterious plan. Again I offer further argument asking that we be permitted to see the plan and to study its effect. Thirty-seven and one-half per cent may mean many things and be as impossible as the Mellon bill.

Mr. Chairman, Republicans who are more interested in legislation than in partisanship ask to see Mr. Mellon's mysterious revised 37½ per cent compromise for the original Mellon bill which it is announced Mr. LONGWORTH will offer as a substitute. Percentages mean little until relation to amounts contained in tax brackets are revealed. We ask to examine the brackets, percentages, and all parts of the plan to learn just what it means before it is sprung on the House after debate has closed. That is the only fair course to pursue with a great tax bill involving \$200,000,000 in income-tax rates.

The so-called scientific Mellon bill juggled income rates and tax brackets so as to mislead the public. It used a 25 per cent tax rate for the \$100,000 bracket, whereas the 25 per cent bracket in existing law taxes incomes of only \$54,000. The Mellon bill gave about 50 per cent reductions to large incomes but only 2 per cent cut on normal tax to the small taxpayer. This comes through juggling of tax brackets.

The Mellon bill can not be resurrected, but we ask to learn if Mr. Mellon's substitute is the Mellon bill under a different title and arrangement of brackets and rates.

Constant press reports of dissatisfaction among so-called insurgents who are for the 37½ per cent cut we are not disturbed about. We do ask Mr. LONGWORTH to put his 37½ per cent Mellon revised tax plan in the RECORD where it can be seen and studied. We have made no coalition with Democratic Members and never have had any. The Garner plan is not nearly as good as the one we offered either "scientifically" or to administer, but it is far more just than the Mellon bill. It favors 3,500,000 taxpayers where the Mellon bill favors 4,223, who get \$75,500,000 tax reduction, or 50 per cent more than the 3,500,000 will receive. That is not politics but a cold fact in dollars and cents. Politics had no part in our support of the Garner plan.

Twice we have offered compromises to our Republican colleagues that would greatly relieve small taxpayers, and as regularly they have been rejected by Mr. Mellon, who controls the situation, so we are justly suspicious of any tax plan not fully understood in advance.

We offered four amendments in this committee affecting tax-free securities, undistributed profits, publicity of records, and excess profits. All were sound in principle and would have provided more than enough to reduce corporate normal taxes and to finance a soldiers' compensation bill. All were refused.

These amendments were opposed by Democratic leaders, whether called insurgents or irregulars, who joined with Republican leaders for that purpose, as they had a right to do without criticism. We asked others to offer the inheritance and gift tax amendments, which include original proposals offered several weeks ago. No pride of authorship occurs over any good amendment.

Secretary Mellon strongly opposed all of these amendments and also any soldiers' bonus, and opposes many other views we hold. Responsibility for the result rests with his attempt to force his bill through Congress aided by a press propaganda costing several millions of dollars.

As one of the wealthiest men in the world and a controlling factor in scores of great corporations, his viewpoint and ours naturally differs, but that does not make his views a standard of Republicanism.

We are free to act as a group and have had many Members come to influence us to accept some proposal of Mr. LONGWORTH of a "sight unseen" jack-knife plan that we suspect on analysis may be a twin sister of the Mellon plan. No one knows until it is submitted. Why can not we see it?

We insist Congress and the public are entitled to see any plan Mr. LONGWORTH expects to offer in order that brackets, percentages, and estimates may be placed on the table for inspection.

After over two weeks' debate and voting he holds the mysterious "37½ per cent" proposal up his sleeve. We are not concerned in any party label on any tax plan, because it is not a political question, but we have supported the best plan thus far offered that will give relief to taxpayers least able to pay. Our own plan was better than either of the others now before the committee.

Five hundred million dollars was handed out by Congress last session to large income beneficiaries through the repeal of the excess-profits tax and reduction of surtaxes from 65 per cent to 50 per cent, the present rate. Ninety-four Republicans then voted for the 50 per cent surtax rate last session, and we believe any 37½ per cent rates framed on the Mellon bill tax brackets or on half the rates of existing law are unjust to taxpayers in the lower brackets, of whom 90 per cent receive under \$10,000 incomes.

The House is entitled to know the facts. That has been the trouble with the Mellon rates, which were prepared in secret by whom or by what interests no one has yet been willing to state. We ask to see and study the substitute plan and discuss it, if necessary.

Mr. LA GUARDIA. Mr. Chairman, I have an amendment to submit.

Mr. GARNER of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. LAGUARDIA. I have a substitute which I wish to offer.

The CHAIRMAN. The gentleman from New York offers a substitute, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. LAGUARDIA to the amendment offered by Mr. RAINEY: Page 160, line 21, strike out "50 cents" and insert "\$1."

Mr. GREEN of Iowa. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. GREEN of Iowa. Perhaps I did not understand the amendment when it was read. I ask unanimous consent that it be read again.

The CHAIRMAN. Without objection, the amendment will be read again.

The substitute amendment was again read.

Mr. GREEN of Iowa. Mr. Chairman, I withdraw the point of order. I did not understand the amendment as it was first read.

Mr. LAGUARDIA. Mr. Chairman, this would bring your exemption on taxes on admissions up to \$1, and I believe it would serve the very purpose that the gentleman from Missouri is urging.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. LONGWORTH. If I understand exactly the parliamentary status, the adoption of the gentleman's substitute would defeat the amendment of the gentleman from Illinois.

Mr. LAGUARDIA. It would.

Mr. GREEN of Iowa. It is a substitute, to take the place of it.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. Would the gentleman like to have some information as to the amount of money involved? I ask that question not in any spirit of opposition.

Mr. LAGUARDIA. I wish the gentleman would give it now.

Mr. CHINDBLOM. The proposal of the committee creates a loss of approximately \$33,000,000 out of \$70,000,000 in last year's tax. The proposal of the gentleman from Illinois [Mr. RAINEY] would practically cut the remaining balance in half, so that it would leave us \$18,500,000. The gentleman's [Mr. LAGUARDIA's] amendment would take off about \$7,000,000 more than the amendment offered by the gentleman from Illinois.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes; but do not take up all my time.

Mr. GARNER of Texas. I wanted to get the accurate figures. The gentleman from Illinois is \$8,000,000 short. The estimate was \$73,000,000. The result is \$73,000,000 less \$40,000,000, which is \$33,000,000.

Mr. CHINDBLOM. It was \$73,000,000 in 1923 and \$72,000,000 in 1924.

Mr. LAGUARDIA. That is enough, when we are \$300,000,000 short—or ahead—according to the statement of the Secretary of the Treasury. [Laughter.]

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield for a moment?

Mr. LAGUARDIA. Yes.

Mr. GREEN of Iowa. It would tax the big prize fights, and I would like to see them taxed.

Mr. LAGUARDIA. I think a young man who has aspirations to come to Congress ought to go and see prize fights. He would at least learn not to hit below the belt. [Laughter.]

This would exempt admissions up to \$1 and it would make it possible to encourage good music as well as high-class drama. If you simply reduce them by one-half, the public will not get the benefit of it. You are not going to decrease the cost of admissions as long as producers in large cities are in collusion with these ticket speculators. It was pointed out that high prices are charged for admissions in my city. It is quite true, but the amendment will not bring prices down, while my substitute will at least relieve all taxes under the \$1 rate. If you exempt admissions up to \$1 it would encourage high-class drama in the provinces—if I may refer to the rural districts as provinces—and at the same time it will bring a great deal of relief in the adjustment of the tax. I am informed by the collector of internal revenue in the theatrical district in New York, Mr. Charles Anderson, and his assistant, Mr. Charles Lardy, that they have inaugurated a system of supervision and are now col-

lecting taxes. Mr. Lardy, who is an expert on excise taxes, believes that a cut in the tax will not redound to the benefit of the theater-going public, while the exemption up to \$1 will surely benefit the public and tend to reduce theater admissions.

As to figures just now submitted, why, I will say, with all due deference, that the gentlemen have been off so often I am sure they are way off now on their estimate.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KINDRED. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on agreeing to the substitute offered by the gentleman from New York [Mr. LAGUARDIA].

Mr. CHINDBLOM. Mr. Chairman, are not five minutes left?

The CHAIRMAN. Yes.

Mr. GARNER of Texas. I would like to be heard.

The CHAIRMAN. The gentleman from Texas is recognized against the substitute.

Mr. GARNER of Texas. I do not know what the substitute is, Mr. Chairman, but if gentlemen are interested enough to turn to the CONGRESSIONAL RECORD of February 16, page 2498, they will find a number of excise taxes, amounting to \$461,256,330.75. We have recommended the repeal of these to the extent of \$106,392,757.56.

Now, here is the situation as I see it: I would like to repeal every single one of these taxes—every one of them. But, gentlemen, if you are going to repeal them you have got to get the money somewhere else to run the Government. That is all there is about it, and you might as well understand it. And I am just a little bit suspicious of any proposition that comes along that cuts down the revenue by \$20,000,000, and although the gentleman from Illinois [Mr. RAINEY], who has the best of purposes in mind, favors it, yet my friend from Connecticut [Mr. TILSON] and my friend from New York [Mr. MILLS] are very anxious that these taxes should be taken off.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. GREEN of Iowa. This being a substitute, it would do away with the Rainey amendment, if adopted, and would not take off as much money.

Mr. GARNER of Texas. I am in favor of any substitute or anything else that will avoid taking this money out of the Treasury. Remember we were collecting \$70,000,000 from moving pictures and other admissions. We repeal this law \$23,000,000 by exempting anything under 50 cents. We did that on the theory that the people who attended those shows are better able to afford paying the tax than those who attend the small shows. I do not know what the gentleman from Connecticut or the gentleman from New York is going to say about this tax. Just a while ago the gentleman from New York said we would get no revenue from the cigarette amendment that I offered. Yet he is here trying to repeal \$20,000,000 of income that will be derived from the taxes in question.

That would be more than all the increase, according to the estimate, because you remember he said the estimate of the estate tax would not exceed \$20,000,000, yet at one fell swoop he desires to remove that much revenue from this bill, which has been increased in the Committee of the Whole.

Mr. CRISP. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. CRISP. Is it not true that these legitimate theaters are given a benefit under this bill in that the special seating tax on them is repealed?

Mr. GARNER of Texas. Yes; we have repealed the special seating tax on theaters also. We thought we had done pretty well to reduce this tax almost 50 per cent on admissions to the theaters of the country. I think that is a very fine reduction. If you would take some of these other taxes and split them up and then retain this tax it would suit me better than to cut out this entire tax.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. GREEN of Iowa. I received my information from the gentleman from Illinois [Mr. CHINDBLOM], but I misunderstood him when he spoke before, because it seems this would take off more than the Rainey amendment.

Mr. GARNER of Texas. If you will sustain the committee's arrangement as to this, we will vote down both of these amendments, and I hope the Committee of the Whole will vote down both of them.

Mr. LAGUARDIA. Is the gentleman now forming an unholy alliance?

Mr. GARNER of Texas. I have had some alliances with the gentleman from New York, but according to the vote it would appear that the gentleman is a little wishy-washy and can not hold on.

Mr. LAGUARDIA. The gentleman from Texas knows that the "gentleman from New York" is not wishy-washy at all.

Mr. BEGG. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. BEGG. I would like to have somebody give some idea as to how many of these high-class educational entertainment admissions will be affected as compared to the other kind, which are purely recreational.

Mr. GARNER of Texas. I have not that information, but the gentleman from New Jersey [Mr. BACHARACH] is good enough to hand me this information: The number of theaters charging from 10 to 40 cents is 13,443; charging from 50 cents to 99 cents, 430; and charging \$1 and more, 27. As I understand it that is the evidence of Mr. Pettyjohn and that is the information you want.

Mr. BEGG. Then this amendment in reality, if adopted, would affect any form of entertainment that charges more than 50 cents, like prize fights, horse racing, and everything?

Mr. GARNER of Texas. Yes; all character of entertainments. But, gentlemen, let me call your attention to the fact that we must have revenue. I had a letter from the Secretary of the Treasury this morning which I will put in the Record. I would like to have the attention of the gentlemen on my left, although I do not care about their attention particularly if they will not disturb me in talking to this side, in case they do not want to hear what I have to say. The Secretary of the Treasury this morning sent me an estimate, or a part of an estimate, which I have inserted in the Record to-day, as I have all estimates sent to me by the Secretary of the Treasury. He estimates that out of the income tax under the present bill there will be a loss of \$483,000,000 for the calendar year 1925 and that under the rates of the so-called Mellon plan there would be a loss of \$350,000,000, a mere mistake over his first estimate of \$130,000,000.

I hope the committee will not cut out all of these taxes, so that the country will get the idea that we have a deficit in this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HAWLEY. Mr. Chairman, when the committee was considering the bill after long examination and hearings of a week, we concluded that we could safely assign about \$110,000,000 of the reduction to be effected to a reduction in the excise taxes. We then went through the list of excise taxes and selected those in which the industries affected by them were being injured by the taxes imposed. We took up the question of the admissions tax and we propose in this bill to reduce the tax on admissions, including the seating tax, some \$33,000,000. That was a fair apportionment of the reduction to this industry, and it relieved the most necessitous cases.

Under the bill a person paying \$4 for a theater ticket will pay 40 cents. Under the proposal of the gentleman from Illinois [Mr. RAINEY] a person will pay 20 cents, and that will reduce the taxes on this industry \$51,000,000 out of \$70,000,000 collected.

Now, the amendment of the gentleman from New York [Mr. LAGUARDIA], proposing that no tax shall be levied on admissions of \$1 or less, reduces the tax \$58,000,000, or \$25,000,000 more than the committee thought it could allot to this industry in comparison with and in justice and in fairness to all other industries. If we are to further reduce this tax we will not have money enough to effect reductions already proposed and we are by so much more reducing the revenue.

Mr. LONGWORTH. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. LONGWORTH. Which one of these amendments will result in the greatest reduction of revenue?

Mr. HAWLEY. The amendment offered by the gentleman from New York reduces it \$58,000,000, and the amendment offered by the gentleman from Illinois reduces it \$51,000,000, taking into account the reduction proposed by the committee.

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 39, noes 129.

So the substitute was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois [Mr. RAINEY].

The question was taken, and the amendment was rejected.

Mr. RAINEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAINEY: After the word "any," in line 18, page 160, strike out the word "place" and insert the following: "theater or opera house where spoken drama or opera is produced, to any Chautauqua or lyceum program or to any lecture."

Mr. RAINEY. Mr. Chairman, the effect of this amendment is to make the proposed tax of 1 cent for each 20 cents apply only to theaters where spoken drama is produced or to operas or to Chautauqua or lyceum programs or to lectures; that is all. The other entertainments will be still subjected to existing rates, including prize fights.

Mr. LONGWORTH. Would the gentleman be willing to include concerts?

Mr. RAINEY. I accept that amendment, "or concerts." I thank the gentleman.

Now, in my time, I ask to be read a letter addressed to the Ways and Means Committee by one of the greatest playwrights and dramatic writers of this generation.

Mr. YOUNG. Mr. Chairman, has not all time for debate on this amendment been exhausted?

The CHAIRMAN. No.

Mr. GREEN of Iowa. Did the gentleman intend to exempt prize fights?

Mr. RAINEY. Yes; the prize fights can pay all the tax you may put on them.

Mr. BACHARACH. Does the gentleman include baseball?

Mr. RAINEY. No, sir.

The Clerk read as follows:

FEBRUARY 5, 1924.

From: Augustus Thomas.

To: Ways and Means Committee, House of Representatives.

Subject: Re amusement tax.

GENTLEMEN: I am addressing this note to each member of the Ways and Means Committee. In doing so, I ask you not to mistake an effort at brevity for indifference. I write rather than project my nuisance value in personal calls.

I believe that the committee's present decision to remove the amusement tax from tickets of 50 cents and under is a mistake, for the following reasons:

1. It favors the motion picture almost exclusively as against the spoken drama.
2. It not only fails to relieve the spoken drama but adds to its burden, because it increases the advantage of the mechanical reproduction over the personal human attempt.
3. It invites the implication that the poor are not intelligent—the presumption that the motion picture is their preference.
4. It overlooks the historical value of the spoken drama, which the printer can preserve indefinitely, in favor of the celluloid picture, relatively ephemeral and relatively mute. An illuminating parallel would be to change a Member's "leave to print" in the CONGRESSIONAL RECORD to a leave to print only his portrait—perhaps, even while speaking.

5. As a tax reduction, it is not scientific. If the intention is to take from the \$80,000,000 present amusement tax \$33,000,000, or approximately, 40 per cent, the result can be more accurately devised by reducing the present 10 per cent tax to 6 per cent.

I respectfully submit that it is safer to reduce a patient's weight by training down all over than by any amputation. And in this case a horizontal reduction would be an acknowledgment of impartiality, whereas, a bloc detachment, discriminating against the higher sections of the business, has a punitive color that can not be in the committee's intentions, despite provocations by speculators.

I ask the committee to remember that, in asking for this consideration of the industry or profession, I do not have in mind the interest of managers or producers so much as I have the welfare of the people at large, who want the spoken drama and the better kinds of music as unhampered as the public safety will permit.

I had hope for unanimous consent to present this at the full meeting of the committee, feeling that five minutes so endured by them might conserve as many hours of further adjustment in the House, the Senate, and in the conference committees.

Respectfully yours,

AUGUSTUS THOMAS.

Mr. RAINEY. Mr. Chairman, I just want to add that the loss in revenue here will be negligible.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GREEN of Iowa. Mr. Chairman, this amendment presents the greatest case of reversing I ever knew. The fact of the matter is the gentleman is doing just the opposite from what he really intends. This puts the tax load on the very objects he is trying to exempt and exempts prize fights and movies and all such things as that.

Mr. RAINEY. No; it does not accomplish anything of the kind.

Mr. TILSON. Oh, yes; it is perfectly plain that it does.

Mr. CHINDBLOM. The language is taxing only the things that are mentioned.

Mr. HAWLEY. Mr. Chairman, the bill at present reads that a tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, and the gentleman's amendment—

Mr. RAINEY. Mr. Chairman, may I modify my amendment so that there will be no misunderstanding about it?

Mr. HAWLEY. The gentleman's amendment provides "a tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any theater where the spoken drama," and so forth—I can not recall all of it—and all other things, including prize fights and movies, are exempted from the tax and only the things the gentleman names are taxed.

Mr. RAINEY. Mr. Chairman, I would like to modify my amendment. I think the gentleman is right about that. I would like to modify my amendment so that it will read "any place except theaters," and so forth.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to modify his amendment. The Clerk will report the modification for the information of the committee.

Mr. HAWLEY. I ask, Mr. Chairman, that the paragraph as amended be read.

The CHAIRMAN. Without objection, the paragraph will be read as amended by the proposed amendment of the gentleman from Illinois.

The Clerk read as follows:

Amendment by Mr. RAINEY: Page 160, line 18, after the word "place," insert: "Except theater or opera house where spoken drama or opera is produced, to any Chautauqua or lyceum program or to any lecture or concert."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 160, line 21, strike out "50" and insert in lieu thereof "20."

Mr. BLANTON. Mr. Chairman, if my amendment is adopted every 20-cent picture show in the United States will be exempt from tax, and only the ones charging admission fee above 20 cents will be taxed under the provisions of this bill. If you adopt my amendment you will add to this bill approximately \$18,000,000 in taxes. In other words, you add about \$18,000,000 to the taxes provided in this bill. If you want to raise revenue you can do it by this amendment without hurting the poor people who want to go to picture shows. They can not go to the 20-cent shows as they exist now without being taxed. Let me apply this amendment to the situation in Washington, because the situation is practically the same all over the United States. Take the 50-cent picture shows here in town, like the Rialto or the Metropolitan or the Columbia or the Palace, and such picture shows at 50 cents would still pay the tax, which they ought to do; but we have at least fifteen 20-cent picture shows scattered all over Washington, and after a picture is once shown at these 50-cent places it then goes to these other picture houses scattered over town and the same 50-cent picture is shown to the people for 20 cents, so that they get the benefit of it. They get to see the same identical 50-cent picture at the 20-cent shows that the people pay 50 cents for at the places I have mentioned.

Mr. CHINDBLOM. Is the gentleman altogether forgetting the lectures and the concerts which are usually priced at 50 cents?

Mr. BLANTON. There have been very few of them that I have attended that have been under \$1 or \$1.50 or \$2. I want to say that if you can show me any concert that is staged now for 50 cents I will show you one that is not much account, and

the people do not want to go to it. The ones that are good are charging as much as 75 cents, \$1, \$1.50, and \$2, and I say that the people who go to them ought to pay the tax, and I am not in favor of reducing the tax on the higher-priced ones. The ones who are able to go to the high-priced ones, let them pay the tax; but there is a reason for taking the tax off the 20-cent picture shows. It is in behalf of the people of moderate circumstances, who are not able to pay more. If you want to raise this \$18,000,000 additional revenue, vote for this amendment. If you do not want to raise it, vote against it.

Mr. TREADWAY. Mr. Chairman—

Mr. BLANTON. If the member of the Ways and Means Committee wants the floor, I will yield to the gentleman, as no other Member of the House has a right to take the floor if my distinguished friend from Massachusetts wants it.

Mr. TREADWAY. The facetiousness of the gentleman from Texas is illuminating, but he knows that I would not intrude on his rights. I supposed that his time had expired and that he had yielded the floor.

Mr. BLANTON. I am through, anyway, and gladly yield the floor.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

Mr. RAINEY. Will the gentleman make it 10 minutes?

Mr. GREEN of Iowa. I will make it 10 minutes, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. TREADWAY. Mr. Chairman, I move to amend the amendment offered by the gentleman from Texas [Mr. BLANTON] by striking out "20," in line 21, and making it "75" cents.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. TREADWAY moves to amend the amendment offered by Mr. BLANTON by striking out "20" and inserting "75"

Mr. TREADWAY. Mr. Chairman, a 75-cent exemption seems to me in a partial way to take care of the admissions to the spoken drama, referred to this afternoon. There is perhaps no theater where there are not some seats at 75 cents. If a person really wants that intellectual opportunity that our friend from Illinois describes, an educational opportunity, actually desires to attend the spoken drama, they can do so for 75 cents. I was in favor of this in the committee and I am still in favor of the exemption of the tax on admission prices. Seventy-five cents will not get into the prize ring nor other places that we do not want to exempt from taxation. It will mean a difference in the bill of \$10,000,000. Last year under the taxes provided in the bill the revenue was \$33,000,000, and the loss under this amendment would be \$10,000,000. I think we can very well make the amount of the exemption at 75 cents.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Massachusetts.

The question was taken and the amendment to the amendment was rejected.

The CHAIRMAN. There are still five minutes of time left.

Mr. RAINEY. Mr. Chairman, I offer the following amendment to the amendment. After the section add the proviso—

Mr. BEGG. Mr. Chairman, there is a motion pending before the House.

The CHAIRMAN. There is an amendment pending.

Mr. RAINEY. Very well; I will withdraw my amendment and offer it after the amendment is disposed of.

Mr. LOWREY. Mr. Chairman, I want to offer a substitute for the amendment of the gentleman from Texas.

The Clerk read as follows:

Amendment by Mr. LOWREY as a substitute: Page 160, lines 21, 22, after the word "admission" at the end of line 20, strike out the semicolon and insert a period, and then omit all of lines 21 and 22.

Mr. LOWREY. Mr. Chairman, it seems to me that we have got the whole matter into a kind of a tangled web. The proposition of my friend from Texas is to cut down the amount to 20 cents. That would mean that all the cheapest shows—the shows in which there would be the least improvement and the least culture—should be free from tax and encouraged.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LOWREY. Yes.

Mr. CHINDBLOM. Under the gentleman's amendment the tax on a 5-cent admission would be half a cent.

Mr. LOWREY. They would not put it as low as 5 cents.

Mr. CHINDBLOM. But there are 5 cents admissions.

Mr. LOWREY. If we are going to encourage anything, I fully agree with the proposition to encourage the entertainment that will really appeal to the literary and cultural side of the people and mean something to them. It seems to me that the bill as it stands encourages the cheaper shows, those that there would be less culture in, and taxes those that are more cultural.

But I believe that they are all in a sense a luxury. And I believe in the principle of taxing luxuries rather than necessities. The gentleman from Texas said that if we make these changes, if we cut off this revenue, we must put it on somewhere else. I do not know where we could put on a tax better than to put it on the luxuries. I believe in making such revenues as are possible out of chewing gum, candy, soft drinks, admissions to places of amusement, and those things that are absolutely luxuries. They may have some value, of course, for recreational purposes, but at least they do not stand where necessities stand. Therefore I simply offer the amendment to go back to where we were and make no distinction, and let them stand on the same basis and tax all picture places and places of amusement.

Mr. CHINDBLOM. Since the gentleman is about through, I want to say that there are 5-cent admissions in some of the big cities for children in the galleries, and that at amusement parks there are 5-cent admissions. Of course, the gentleman's proposal would mean that they would have to charge an additional penny in order to collect the tax of half a cent.

Mr. LOWREY. I am willing to let it stand in that way.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Mississippi. The amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Texas [Mr. BLANTON].

The question was taken, and the amendment was rejected.

Mr. RAINEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. RAINEY: Page 162, at the end of line 14, add the following:

"Provided, That no tax shall be imposed upon admissions to chautauqua or lyceum programs or to any lectures or concerts."

Mr. BLACK of Texas. Mr. Chairman, I make the point of order that the proviso is not germane to the paragraph, which deals with admissions to roof gardens, cabarets, and other similar entertainments.

Mr. BLANTON. I make the further point of order that this matter has been voted on once before where an attempt was made to exempt these same matters enumerated in the amendment of the gentleman from Illinois, and it was voted down.

Mr. RAINEY. Oh, the gentleman is mistaken. This simply attempts to exempt lectures, concerts, chautauqua programs, and lyceum programs. This provides that none of the five preceding paragraphs shall so operate as to provide for admission taxes to lectures, concerts, lyceums, or chautauquas.

Mr. BLANTON. I remind the Chair that in the amendment which sought to exempt the spoken drama, it also embraced all of these matters.

Mr. TILSON. Mr. Chairman, it is very clear that the committee has never voted this proposition down, and the omission of the words "spoken drama" makes it an entirely new amendment.

The CHAIRMAN. This amendment is offered at the end of paragraph (a). Paragraph (a) begins on page 160 and ends on page 162, with line 15. That is what constitutes the paragraph. The amendment is offered as an amendment to that paragraph as a proviso. That paragraph includes all kinds of entertainments, not only cabarets and roof gardens but almost everything else embraced in the realm of entertainment. The Chair thinks the amendment is germane to the paragraph and overrules the point of order.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division, the Chair having announced himself in doubt, there were—ayes 47, noes 112.

Mr. RAINEY. Mr. Chairman, I call for tellers.

The CHAIRMAN. The gentleman from Illinois demands tellers. All in favor of ordering tellers will rise and stand until

counted. [After counting.] Four Members have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record by printing therein a letter from the governor of the Federal Reserve Board, with the exhibits, showing the effect of the proposal to require Federal reserve banks to pay 2 per cent interest on reserve balances.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read.

Mr. HOWARD of Nebraska. Mr. Chairman, I might object—I do not know—if I had a chance.

Mr. BLANTON. Mr. Chairman, I make the point of order that when a gentleman is on his feet trying to get the attention of the Chair during the submission of a unanimous consent request he should be given the opportunity to object.

The CHAIRMAN. If the gentleman from Nebraska was trying to address the Chair at the time the Chair was putting the unanimous-consent request, the Chair will recognize him. The Chair will again put the request. The gentleman from Arkansas asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

The letter referred to is as follows:

FEDERAL RESERVE BOARD,
OFFICE OF THE GOVERNOR,
Washington, February 13, 1924.

Hon. OTIS WINGO,

House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Pursuant to our telephonic conversation, I am inclosing for your information a copy of statements showing the net earnings of the Federal reserve banks for 1921, 1922, and 1923, and what would happen if 2 per cent interest were paid by the banks on realized balances to member banks.

You will note in 1923 the Federal reserve banks of the whole system would have lost, to be exact, \$24,738,854, and in addition they could have paid no dividend, could have set apart no surplus, nor pay any franchise tax; whereas in 1922 the 12 Federal reserve banks would have lost \$19,124,764 and only one bank in the system could have paid any part of its dividend; that was the bank at Philadelphia, which could have paid \$120,976 on its dividend. You will note that none of the banks would have been able to have paid dividend, surplus, or franchise tax. In 1921 the banks could have paid 2 per cent interest, amounting to \$33,457,380, but this was one of the unusual years that came about by financing the war and when the banks were imposing a 6 per cent and 7 per cent rediscount rate, which, as you know, was not very popular.

In my opinion, an attempt to pay 2 per cent interest on deposits is wrong in principle and should not be imposed upon the banks. If it should be imposed the Federal reserve banks will have to buy paper in the open market in competition with member banks and nonmember banks in order to make its dividend, interest, and expenses. I think you will agree that such practice would be detrimental to the individual banks.

It must be borne in mind well that at the time the banks were making these big profits it was while they were financing the war, and it should not be used as a pretext for the passage of an act to provide for 2 per cent interest on realized balances.

I am also handing you an analysis of the statements which will be self-explanatory.

Very truly yours,

D. R. CRISSINGER, Governor.

Average daily reserve balances of member banks with the Federal reserve banks during 1923 aggregated \$1,872,000,000. It is apparent, therefore, that to pay interest at 2 per cent per annum on member bank reserve balances would have necessitated the Federal reserve banks earning approximately thirty-seven and one-half millions in excess of operating expenses and dividend requirements. During 1918, 1919, 1920, and 1921, when borrowings at the Federal reserve banks were at an unprecedented level because of the large demands for credit due to war conditions, the Federal reserve banks might have paid interest on member banks' reserve deposits and at the same time paid a franchise tax to the Government. During the past two years, however, when conditions have been more normal, borrowings from Federal reserve banks and consequently their net earnings have been on a greatly reduced scale. Net earnings of the banks during 1923 amounted to \$12,700,000, while 2 per cent on reserve deposits of member banks would have amounted to about \$37,450,000, or three times the net earnings. Of the net earnings of \$12,700,000, \$6,500,000 went to mem-

ber banks to pay the 6 per cent dividend on their capital stock and the balance was divided between the surplus accounts of the Federal reserve banks and the Government in the form of a franchise tax. Approximately the same results are shown for 1922, in which net earnings of the Federal reserve banks were \$16,500,000, while 2 per cent interest on reserve deposits of member banks would have amounted to \$35,600,000.

It is apparent from these figures that in normal times Federal reserve banks could not pay 2 per cent interest on reserve balances out of their current earnings.

It should also be borne in mind that any payment to the member banks in the form of interest on their reserve balances will affect matu-

rially the amounts paid to the United States Government as a franchise tax. During 1921, for example, the Government was paid a franchise tax of \$63,100,000. If member banks had been paid 2 per cent interest on their reserve balances, the Government would have received only \$33,800,000 as a franchise tax. In 1922 and 1923, however, when earnings of the reserve banks were on a much lower level and comparatively small portions of the 2 per cent interest on reserve balances of member banks could have been paid by the respective Federal reserve banks, the Government would have received no franchise tax, unless the Federal reserve act were so amended as to require the payment of a franchise tax to the Government before the payment of any interest to member banks on their reserve balances.

Net earnings of Federal reserve banks, distribution thereof, and effect upon such distribution if 2 per cent interest were paid on reserve deposits of member banks.

YEAR 1921.

Federal reserve bank.	Net earnings.	Actual distribution of net earnings.			Amount required to pay 2 per cent interest on reserve deposits of member banks.	Net earnings after payment of 2 per cent interest on reserve deposits of member banks.			
		Dividends paid.	Transferred to surplus. ¹	Franchise tax paid. ¹		Total.	Available for—		
							Dividends.	Surplus.	Franchise tax.
Boston.....	\$4,281,353	\$473,109	\$534,974	\$3,283,270	\$2,195,080	\$2,086,273	\$473,109	\$305,467	\$1,307,697
New York.....	26,093,832	1,608,721	2,448,511	22,036,600	13,122,820	12,971,012	1,608,721	1,136,239	10,226,062
Philadelphia.....	5,339,454	517,663	898,873	3,922,918	2,024,100	3,315,354	517,663	696,463	2,101,228
Cleveland.....	6,284,383	660,228	2,329,442	3,294,713	2,766,520	3,617,863	660,228	2,032,790	894,845
Richmond.....	4,393,627	322,203	673,333	3,398,091	1,069,540	3,324,057	322,203	896,380	2,435,504
Atlanta.....	5,496,219	245,862	586,477	4,663,880	879,740	4,616,479	245,862	468,503	3,902,114
Chicago.....	14,595,117	853,785	1,365,133	12,286,199	4,764,490	9,740,657	853,785	888,687	7,998,185
St. Louis.....	2,951,926	270,253	1,042,564	1,639,109	1,242,860	1,709,006	270,253	918,277	520,536
Minneapolis.....	3,161,154	211,657	496,107	2,393,390	843,360	2,307,794	211,657	351,721	1,744,369
Kansas City.....	3,056,096	268,620	278,748	2,508,728	1,416,340	1,639,756	268,620	137,114	1,234,022
Dallas.....	1,618,564	252,211	1,361,353	947,898	881,980	731,584	252,211	479,373	1,511,718
San Francisco.....	4,920,500	435,361	947,898	3,537,241	2,250,580	2,609,920	435,361	722,841	1,511,718
Total.....	82,087,225	6,119,673	12,863,413	63,104,139	33,457,380	48,629,845	6,119,673	8,723,805	33,786,277

YEAR 1922.

Boston.....	\$1,007,402	\$481,951	\$76,568	\$538,883	\$2,371,260	-\$1,273,858			
New York.....	3,731,693	1,632,138	206,946	1,892,509	13,979,820	-10,258,227			
Philadelphia.....	2,236,876	541,532	839,960	855,364	2,115,900	120,976	\$120,976		
Cleveland.....	2,298,688	692,436	861,264	714,988	2,794,600	-525,812			
Richmond.....	867,448	333,321	53,413	480,714	1,123,100	-255,652			
Atlanta.....	672,730	256,618	41,611	374,501	958,630	-285,870			
Chicago.....	1,405,215	876,203	82,901	478,111	5,067,340	-3,692,125			
St. Louis.....	647,572	283,166	276,450	87,956	1,299,880	-652,308			
Minneapolis.....	782,695	213,774	56,892	512,029	891,980	-109,285			
Kansas City.....	785,036	275,635	50,738	458,643	1,538,760	-753,724			
Dallas.....	354,125	251,915	102,210	121,205	953,360	-599,235			
San Francisco.....	1,660,356	448,806	121,205	1,090,345	2,498,000	-837,644			
Total.....	16,497,736	6,307,035	2,740,158	7,450,543	35,623,800	-19,124,764	120,976		

YEAR 1923.

Boston.....	\$1,252,135	\$480,267	\$77,187	\$694,681	\$2,516,440	-\$1,264,305			
New York.....	3,048,679	1,749,239	129,444	1,169,996	13,787,240	-10,743,561			
Philadelphia.....	2,177,837	582,292	1,178,588	416,957	2,282,000	-105,063			
Cleveland.....	921,221	725,626	185,505	185,505	3,167,400	-2,246,179			
Richmond.....	1,692,843	342,245	381,404	269,144	1,216,580	-122,737			
Atlanta.....	352,179	264,622	8,756	78,501	1,088,840	-736,661			
Chicago.....	1,178,353	904,371	27,308	246,586	5,512,720	-4,334,365			
St. Louis.....	1,182,163	296,810	407,070	478,283	1,399,500	-217,337			
Minneapolis.....	325,435	212,733	11,272	101,460	955,629	-630,195			
Kansas City.....	347,711	275,313	7,210	65,158	1,611,200	-1,263,489			
Dallas.....	332,282	251,429	80,833	101,460	1,040,439	-708,158			
San Francisco.....	565,426	467,720	87,706	87,706	2,871,280	-2,305,854			
Total.....	12,711,298	6,562,717	2,545,513	3,613,036	37,450,140	-24,738,854			

¹ As adjusted on Dec. 31, 1922, by charging to surplus account and paying to the Government an additional franchise tax for 1921.

Minus sign (-) indicates that the amount required to pay 2 per cent interest on reserve deposits of member banks exceeded net earnings by the amount shown.

The Clerk read as follows:

(b) No tax shall be levied under this title in respect of (1) any admissions all the proceeds of which inure (A) exclusively to the benefit of religious, educational, or charitable institutions, societies, or organizations, societies for the prevention of cruelty to children or animals, or societies or organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions, or of improving any city, town, village, or other municipality, or of maintaining a cooperative or community center moving-picture theater—If no part of the net earnings thereof inures to the benefit of any private stockholder or individual; or (B) exclusively to the benefit of persons in the military or naval forces of the United States; or (C) exclusively to the benefit of persons who have served in such forces and are in need; or (D) exclusively to the benefit of posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net

earnings inures to the benefit of any private stockholder or individual; or (2) any admissions to agricultural fairs if no part of the net earnings thereof inures to the benefit of any stockholders or members of the association conducting the same, or admissions to any exhibit, entertainment, or other pay feature conducted by such association as part of any such fair, if the proceeds therefrom are used exclusively for the improvement, maintenance, and operation of such agricultural fairs.

Mr. SEARS of Florida. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 163, line 9, after the semicolon, insert: "or (E) exclusively to the benefit of members of the police or fire departments of any city, town, village, or other municipality, or the dependents or heirs of such members."

Mr. GREEN of Iowa. Mr. Chairman, unless some member of the committee has objection, I will accept this amendment.

Mr. YOUNG. I have objection. There are too many of them in there now.

Mr. SEARS of Florida. Mr. Chairman, I do not want to take up the time of the committee. The facts are as follows: On last New Year's Day the firemen and the policemen of Jacksonville, Fla., gave an exhibition for the benefit of the disabled and retired firemen and policemen and for their wives and orphans. It was purely a charitable exhibition. No war tax was charged. In October, before giving this exhibition, they asked the Treasury Department to tell them whether any tax would be required. In November they again asked if any tax would be required.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. SEARS of Florida. Yes.

Mr. BEGG. Was this carnival supervised and put on by one of these professional concerns that travel about, drumming up that sort of business?

Mr. SEARS of Florida. I shall come to that in a moment. On December 27 they took it up again with the Treasury Department, and on the 29th of December, just before New Year's Day, they were notified that a tax would be required, but in the meantime nearly all of the tickets had been allotted or sold, and, as I understand, no war tax was charged.

The field day was under the direct supervision of the city commissioners of Jacksonville, and my information is City Commissioner Fred Valz was the chairman. The city commissioners of Jacksonville, under a State law, are permitted to assess a tax against her citizens to take care of these people, but the funds were not sufficient, so they held this field day and expect to make same an annual event. I have here a list of the retired and disabled firemen and policemen and the list of the widows and minors, showing 26 in the police department and 17 in the fire department.

For the benefit of my good friend from Ohio [Mr. BEGG] I will illustrate. Two hundred tickets would be allotted a business man of Jacksonville. They would simply take those tickets to help out the firemen and policemen, because they appreciated what they did for them. This was purely a charitable proposition. The policemen and firemen simply staged this exhibition. One of the policemen would engage in a boxing match with a fireman, and so on. Many hundreds of people in Jacksonville bought tickets, but did not attend the performance; they simply bought the tickets to indicate their appreciation of what the firemen and policemen were doing. But the Treasury Department held that it was not purely a charitable entertainment, as some were on the retired list, and therefore the tax should have been collected. I understand the Treasury officials now realize that the tax should not have been imposed on such exhibitions as that referred to. I do not hesitate to state it was not my intention to tax same, and I do not believe it was the intention of Congress. But unless my amendment is adopted, in view of the ruling of the department, next year those who desire to assist the policemen and firemen must pay the tax.

So often we forget those who help us. These men risk their lives to save our lives and protect our property, and I sincerely trust my amendment will be adopted. If it is adopted, it will not only help this charitable cause—or benevolent, if you desire to so call it—at Jacksonville, Fla., but will also apply to every town or city.

I think, in fairness to those of the department who have handled this matter, I should say they have been very courteous to me.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on the amendment and all amendments thereto close in five minutes.

Mr. BLACK of Texas. I have an amendment to offer.

The CHAIRMAN. Does the gentleman from Iowa make his motion?

Mr. GREEN of Iowa. Yes; that all debate on this amendment and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and all amendments thereto close in five minutes. The question is on agreeing to that motion. The motion was agreed to.

Mr. BLACK of Texas. Mr. Chairman, I have an amendment which I offer to the Sears amendment. At the end of the Sears amendment add "and if no part of their net earnings inures to the benefit of any private stockholder or individual."

Mr. SEARS of Florida. That is covered in my amendment.

Mr. BLACK of Texas. What is the language of the gentleman's amendment in that respect?

Mr. SEARS of Florida. I will ask, Mr. Chairman, that my amendment be again read.

The CHAIRMAN. The Clerk, without objection, will again report the amendment.

Mr. BLACK of Texas. I would like to have my amendment read first, and then the amendment offered by the gentleman from Florida.

Mr. GREEN of Iowa. Mr. Chairman, I do not think the gentleman from Texas [Mr. BLACK] understood the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLACK of Texas to the amendment offered by Mr. SEARS of Florida: At the end of the Sears amendment add "and if no part of their net earnings inures to the benefit of any private stockholder or individual."

Mr. GREEN of Iowa. No stockholder is concerned at all.

Mr. BLACK of Texas. Mr. Chairman, may we have the Sears amendment reported?

The CHAIRMAN. Without objection, the Clerk will report the Sears amendment, with the amendment of the gentleman from Texas added to it.

The Clerk read as follows:

Amendment offered by Mr. SEARS of Florida: Page 163, line 9, after the semicolon, insert "or (E) exclusively to the benefit of the members of the police or fire department of any city, town, village, or other municipality, or the dependents or heirs of such members; and if no part of their net earnings inures to any private stockholder or individual."

Mr. BLACK of Texas. The reason I offered the language is to make it conform to the other exceptions in the bill.

Now, I am not sure at all but what if the amendment offered by the gentleman from Florida is adopted, one of these entertainments could come along and advertise that it is for the benefit of the firemen and policemen and take a part of the proceeds for their private individual benefit, and I have offered identically the same language in order to protect the Treasury against an instance of that kind. I think we ought to do it.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. HAWLEY. The provision requires that it shall be exclusively for the benefit of the policemen and firemen.

Mr. BLACK of Texas. Yes; but that is language that I am not certain would preclude a division of the proceeds.

Mr. HAWLEY. If I understand the amendment of the gentleman correctly, or any part of it, it is to forbid the payment to individuals. I just heard the amendment read. It is hard to know what application would be had.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. BEGG. In your amendment you provide that no part of the proceeds shall inure to any individual?

Mr. BLACK of Texas. Yes.

Mr. BEGG. Could they not easily evade that by hiring a man and putting him in as an expense?

Mr. BLACK of Texas. They could probably do that in any of these other provisions of the bill. The only purpose I had in offering the amendment was to make it conform to the several paragraphs under discussion.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield for a statement?

Mr. BLACK of Texas. Yes.

Mr. CHINDBLOM. All the way through the bill we have used the word "shareholder" where stockholder is meant. It would be in conformity to the bill if the gentleman would change his amendment from "private stockholder" to "shareholder."

Mr. BLACK of Texas. My amendment is in the same language as the language of the paragraph under discussion.

Mr. CHINDBLOM. In the old bill?

Mr. BLACK of Texas. No; in the present bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BLACK] to the amendment offered by the gentleman from Florida [Mr. SEARS].

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. WATRES. Mr. Chairman, I desire to offer an amendment on page 163, line 4.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WATRES: Page 163, line 4, after the words "benefit of," insert "National Guard organizations."

Mr. GREEN of Iowa. Mr. Chairman, speaking for myself—I have not had time to consult the committee—I will personally accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: Page 163, line 14, strike out the words "as part of any such fair."

Mr. KNUTSON. Mr. Chairman, there are in this country a number of county fairs that were organized and are being conducted for the purpose of stimulating interest in agriculture. These fairs hang up a large number of prizes each year for livestock and farm products. A number of them have been conducted at a loss in the past few years, and they are giving entertainments during the winter months, the proceeds from which are covered into the treasury for the purpose of making up deficits made in the past.

I am sure there could be no objection to this amendment. The aggregate amount which the Federal Treasury would lose from the adoption of my amendment certainly could not be large, and I think if we adopt it it will result in putting all of these agricultural fairs on a sounder financial basis.

Mr. GREEN of Iowa. Mr. Chairman, I sympathize with the purpose of my friend from Minnesota, and I would be very glad to agree to this amendment if I did not fear it could be so easily abused and afford opportunity for evasion. Therefore I hope the amendment will be voted down.

Mr. KNUTSON. Mr. Chairman, have I used all of my time?

The CHAIRMAN. The Chair understood that the gentleman yielded the floor.

Mr. KNUTSON. I just yielded to the gentleman from Iowa. How can there be any evasion of this tax, any more than there can be an evasion of any other tax? The proceeds of these entertainments are covered into the fair treasury; no individuals are on the pay rolls of those fairs, consequently no individual will benefit from such entertainments. The fair as a whole and the community wherein the fair is situated are the beneficiaries.

Mr. GREEN of Iowa. Answering the question of the gentleman from Minnesota, I wish to say that we have given these fairs every advantage. So long as the entertainments are a part of the fairs we do not impose any tax on them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. KNUTSON) there were—ayes 47, noes 65.

Mr. KNUTSON. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Minnesota demands tellers. Those in favor of ordering tellers will rise and stand until counted. [After counting.] Nine Members have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. HILL of Maryland. Mr. Chairman, I offer an amendment. On page 163, line 4, after the words "National Guard organizations," which were just inserted, insert the words "Reserve officers' associations or organizations." That simply puts reserve officers' associations or organizations on the same footing with National Guard associations.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: At the end of the amendment just adopted, in line 4, on page 163, add the following: "Reserve officers' associations or organizations."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. HILL].

The question was taken; and on a division (demanded by Mr. HILL of Maryland) there were—ayes 66, noes 30.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(d) The price (exclusive of the tax to be paid by the person paying for admission) at which every admission ticket or card is sold shall be conspicuously and indelibly printed, stamped, or written on the face or back of that part of the ticket which is to be taken up by the management of the theater, opera, or other place of amusement, together with the name of the vendor if sold other than at the ticket office of the theater, opera, or other place of amusement. Whoever sells an admission ticket or card on which the name of the vendor and price is not so

printed, stamped, or written, or at a price in excess of the price so printed, stamped, or written thereon, is guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$100.

Mr. McKEOWN. Mr. Chairman, I make the point of order that this provision is not within the jurisdiction of this committee.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. McKEOWN. The provision provides for a misdemeanor in the regulation of the sale of these tickets.

Mr. GREEN of Iowa. Mr. Chairman, the bill has been referred to the committee.

Mr. McKEOWN. I just want to call the attention of the committee to the fact that this is a taxing bill and should not contain anything in the nature of regulatory provisions, and this provision attempts to regulate and makes a violation of the regulations a misdemeanor.

Mr. GREEN of Iowa. Of course, the purpose of it is the collection of the tax.

Mr. McKEOWN. This committee has no right to provide penalties. That is a right which belongs to the Judiciary Committee.

Mr. GREEN of Iowa. This committee has been doing it ever since the organization of the Union.

Mr. McKEOWN. But that does not make it right.

The CHAIRMAN. The Chair finds that this was referred to the committee and the reference to the committee gives it jurisdiction. If a point of order is to be made, raising the jurisdiction of the committee to report a bill, it should be raised when the bill is reported to the House. The point of order is overruled.

Mr. RAMSEYER. Mr. Chairman, I move to strike out the last word in order to ask the chairman a question about paragraph (d).

Mr. GREEN of Iowa. On what page?

Mr. RAMSEYER. Page 163, at the bottom of the page which was just read. I want to know whether the regulation about printing and stamping these tickets applies only to tickets providing admissions to theaters where the taxes are imposed? In other words, is that regulation made mandatory upon the theaters which charge 50 cents and less?

Mr. GREEN of Iowa. I think it only applies to those where the tax is to be collected.

Mr. RAMSEYER. I wanted to be sure about that.

Mr. GREEN of Iowa. That is my understanding of the Treasury regulations.

The CHAIRMAN. The pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

Sec. 501. On and after the date this title takes effect there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 801 of the revenue act of 1921, a tax equivalent to 10 per cent of any amount paid on or after such date, for any period after such date, (a) as dues or membership fees (where the dues or fees of an active resident annual member are in excess of \$10 per year) to any social, athletic, or sporting club or organization; or (b) as initiation fees to such a club or organization, if such fees amount to more than \$10, or if the dues or membership fees (not including initiation fees) of an active resident annual member are in excess of \$10 per year; such taxes to be paid by the person paying such dues or fees: *Provided*, That there shall be exempted from the provisions of this section all amounts paid as dues or fees to a fraternal society, order, or association, operating under the lodge system. In the case of life membership a life member shall pay annually, at the time for the payment of dues by active resident annual members, a tax equivalent to the tax upon the amount paid by such a member, but shall pay no tax upon the amount paid for life membership.

Mr. ROGERS of New Hampshire. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of New Hampshire: Page 164, line 24, after the word "system" insert a comma and the following: "or to any local fraternal organization among the students of a college or university."

Mr. GREEN of Iowa. Mr. Chairman, I have not had time to consult the members of the committee, but is there any objection to this?

Mr. GARNER of Texas. No; that is all right.

Mr. GREEN of Iowa. I will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

The question was taken, and the amendment was agreed to.

Mr. WATKINS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WATKINS: Page 165, line 4, after the word "membership" strike out the period, insert a colon, and the following: "Provided, That there shall be exempted from taxation under this section all amounts paid as dues or membership fees where the amount so paid is \$50 or less per year to any institution or club organized and operated exclusively for social, recreational, educational, and other non-profitable purposes, not organized for profit, and no part of the earnings of which inures to the benefit of any private shareholder or individual."

Mr. WATKINS. Mr. Chairman, the amendment is very brief and very plain. Its object is the thing I want to explain for just a moment. You have exempted by this section 501 fraternal societies, orders, or associations operating under the lodge system. Section 231 exempts the club itself.

In Portland we have an athletic club. It is an amateur association for the young men, women, and children of that community. It is an educational institution. There they conduct various games and classes for the development of the youth of that community. The fees are less than \$50 and over \$10; the institution is a civic pride, an asset, a club where the families of the city commingle. It is not an athletic club in the sense of holding exhibitions and prize fights and things of that kind for profit, but it is an institution developing the youth, training them, and I hope the committee will adopt this amendment.

Mr. YOUNG. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. YOUNG. It is a social club, is it not?

Mr. WATKINS. It is a social organization—recreational, or rather educational, I should say.

Mr. YOUNG. We have a number of clubs of that kind in the United States that are required to pay a tax. Why do you want to fill this bill with continual exceptions and exemptions?

Mr. WATKINS. This is an educational association and ought to be exempt.

Mr. LAGUARDIA. Will the gentleman yield? How would the gentleman's amendment help the club?

Mr. WATKINS. The club now is having a very hard time in getting young men, women, and children there to join, because they will not pay the tax and the dues, and if we will eliminate the tax from these dues then the young men and the children will join; at least we will eliminate the thing that has been an obstacle.

Mr. YOUNG. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. YOUNG. Are there not a great many clubs of this character in the United States that are having a hard time to get members to join them on account of the fees?

Mr. WATKINS. Yes; I have letters from business men all over my State stating that conditions in this country are terrible and that we are having terribly hard times under this administration, but that does not alter this situation. Here is an educational institution for the young men and the young women and children of the community, and here you are exempting chewing gum, yachts, motor boats, dirks, and bowie knives. Why can not you give these educational institutions, like the one in Portland and in other cities for aught I know, some chance to develop the youth and the children of the community? I do not think the tax amounts to anything, so far as the total is concerned, but it is very material to an institution of this character. President Harding was out there, and this club gave over its grounds for the occasion, for which no charges were made. If you go to any other club of this sort, you have to pay, but this institution affords an opportunity for things I have mentioned, and I hope the committee will adopt the amendment. It is almost a life and death matter, so far as this wonderful institution is concerned.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. CHINDBLOM. Who pays the dues to this club?

Mr. WATKINS. The children and the young men—anyone a member. And by this act they have to pay the tax, too.

Mr. CHINDBLOM. Children pay \$50 a year?

Mr. WATKINS. It is about \$48 a year for regular members.

Mr. CHINDBLOM. And the children pay those dues?

Mr. WATKINS. Well, their parents pay them; yes, and whoever pays the dues must pay the tax. For the benefit of the House, before it takes action, I simply want to read a telegram from this institution. It is as follows:

Hon. ELTON WATKINS,

House of Representatives, Washington, D. C.:

Hundreds of young fellows in Multnomah Club at period of their lives when earnings are small are taxed 10 per cent of \$48 dues, though club is locally exempt, being an educational institution. Would you talk to Representative HAWLEY on Ways and Means Committee asking limit in new revenue bill be raised from \$10 to \$50 per year so as to confine tax to actual luxury clubs as really intended? Hard enough to finance and keep members in club without this handicap. Consider many like organizations and small community clubs over entire country unjustly taxed by present law. Please do your utmost to get limit raised from \$10 to \$50 per year.

Cordially,

MULTNOMAH AMATEUR ATHLETIC CLUB,
H. A. SARGENT, President.

Now, gentlemen, this is a most worthy cause. It is an institution Portland is proud of, and I voice the sentiment of everyone in that fair city when I urge you to eliminate the tax on membership dues.

Mr. OLDFIELD. Is your colleague Mr. HAWLEY with you on this proposition?

Mr. WATKINS. I hope so, but I doubt it. No; I understand he is not.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LAGUARDIA. Does the gentleman say that the members of this athletic club would pay \$48 a year and refuse to pay the extra \$4.80 tax?

Mr. WATKINS. They are up against it; they are unable to pay this additional sum.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

Mr. GARNER of Texas. I move to amend that; I move that all debate and amendments thereto do now close.

The CHAIRMAN. The gentleman from Texas moves to amend the motion of the gentleman from Iowa by the provision that the debate now close.

The question was taken, and the amendment to the amendment was agreed to.

The motion as amended was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Oregon [Mr. WATKINS].

The question was taken; and on a division (demanded by Mr. WATKINS) there were 29 ayes and 79 noes.

So the amendment was rejected.

The Clerk read as follows:

TITLE VI.—EXCISE TAXES.

SEC. 600. There shall be levied, assessed, collected, and paid upon the following articles sold or leased by the manufacturer, producer, or importer, a tax equivalent to the following percentage of the price for which so sold or leased—

(1) Automobile trucks and automobile wagons (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), 3 per cent.

(2) Other automobiles and motor cycles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 5 per cent.

(3) Tires, inner tubes, parts, or accessories for any of the articles enumerated in subdivision (1) or (2), sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1) or (2), 5 per cent.

(4) Cameras weighing not more than 100 pounds and lenses for such cameras, 10 per cent.

(5) Photographic films and plates (other than moving-picture films and other than X-ray films or plates), 5 per cent.

(6) Firearms, shells, and cartridges, except those sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, or the District of Columbia, 10 per cent.

(7) Cigar or cigarette holders and pipes composed wholly or in part of meerschaum or amber, humidors, and smoking stands, 10 per cent.

(8) Automatic slot-device vending machines, 5 per cent; and automatic slot-device weighing machines, 10 per cent. If the manufacturer, producer, or importer of any such machine operates it for profit, he shall pay a tax in respect to each such machine put into operation equivalent to 5 per cent of its fair market value in the case of a vending machine and 10 per cent of its fair market value in the case of a weighing machine.

If any manufacturer, producer, or importer of any of the articles enumerated in this section customarily sells such articles both at

wholesale and at retail, the tax in the case of any article sold by him at retail shall be computed on the price for which like articles are sold by him at wholesale.

The taxes imposed by this section shall, in the case of any article in respect of which a corresponding tax is imposed by section 900 of the revenue act of 1921, be in lieu of such tax.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 166, line 15, at the end of the line add the following: "Provided, That this paragraph (1) shall not apply to automobile trucks and automobile wagons (nor to the chassis thereof if sold separately) if the selling price of such chassis of such trucks or wagons is not in excess of \$1,000."

Also, page 166, line 23, strike out the figure "5" and insert in lieu thereof the figures "2½."

Mr. McLAUGHLIN of Michigan. Mr. Chairman, these two amendments have been submitted to the chairman of the Committee on Ways and Means and to the ranking Democratic member of that committee and have been approved. They are willing to accept them just as I have prepared them, so I think it will not be necessary to discuss them at length.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. LAGUARDIA. Your amendment exempts trucks and motors under \$1,000.

Mr. McLAUGHLIN of Michigan. It exempts trucks and automobile wagons if the chassis of them are sold not in excess of \$1,000.

Mr. LAGUARDIA. Would that affect the production of anybody but Henry Ford?

Mr. McLAUGHLIN of Michigan. Ninety per cent of the trucks and wagons of this country that are used by people themselves would be exempt.

Mr. LAGUARDIA. Are there any other makes that sell for less than \$1,000?

Mr. McLAUGHLIN of Michigan. I will read the gentleman a list of those that would be affected:

Buick, Chevrolet, Dodge, Ford, Dort, Gray, Durant, Mason, Maxwell, Overland, Olds, Reo, Star, and Vim.

It is not easy to learn with entire accuracy the selling price of chassis used in autotrucks and autowagons made by each and every one of these companies or by other companies, but I am confident I am speaking by the card when I say that all trucks and wagons of nearly every one of the companies I have named will be entirely exempt from taxation if my amendment shall be adopted, because the selling price of very nearly all chassis used in their trucks and wagons is not in excess of \$1,000. As to other companies in the list I have given, a large percentage of their trucks and wagons will be exempted, because a large percentage are equipped with chassis which sell for \$1,000 or less. You must understand the amendment I offer means that all autotrucks and autowagons, regardless of their other equipment and regardless of their selling price, will be entirely exempt from taxation if, and only if, the selling price of the chassis is not more than \$1,000. It is to be the selling price of the chassis that will determine whether or not a truck or wagon, no matter how it may otherwise be equipped, shall pay a tax.

That is, every truck or wagon will be exempt if its chassis sells for no more than \$1,000, and every truck and every wagon must pay the tax if its chassis sells for more than \$1,000.

With all who assisted and advised with me I have given earnest thought to every plan and suggestion as to the form and substance of an amendment proper and necessary to carry into effect our purpose in this matter, and all agree that the selling price of the chassis is the only safe and proper basis to be considered. Autotrucks and autowagons have upper works of every conceivable form, style, and value, but every chassis is much the same as every other chassis except size and carrying strength and motive power. These elements or qualities largely, if not altogether, determine the selling price of the chassis. It is intelligently estimated that a chassis which sells for not more than \$1,000 is the kind of chassis put into autotrucks and autowagons used by more than 90 per cent of all who carry, transport, or deliver their own products or their own goods. And I repeat that these are the people whom we wish by this amendment to benefit.

The amount of revenue that would be lost by the adoption of this amendment, as nearly as can be figured, is \$3,600,000 out of a total now collected of \$10,678,671.

Mr. SHERWOOD. What class of Overlands would it affect?

Mr. McLAUGHLIN of Michigan. All or nearly all of the Overlands would be exempt because the chassis of practically all Overland autotrucks and autowagons sell for \$1,000 or less.

Mr. DYER. What would be the amount in tax if we adopted the gentleman's amendment?

Mr. McLAUGHLIN of Michigan. The amount collected last year on all the autotrucks and autowagons was a little more than ten and one-half million dollars.

Mr. YOUNG. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. YOUNG. May I ask who made the estimates? They seem a little small.

Mr. McLAUGHLIN of Michigan. Estimates have been made by several gentlemen. They have come from several associations and organizations in the automobile and truck business, each one contributing his information, and they are practically in agreement, so I have accepted them as correct.

Mr. YOUNG. All these organizations that you read gave figures as to how it would affect their sales?

Mr. McLAUGHLIN of Michigan. No; each gave me data as to the entire autotruck and autowagon production and sales in this country. These organizations submitted statements, and my conclusion is that there were 370,000 autotrucks and autowagons manufactured in 1923, and that 262,500 of them used chassis the selling price of which was not more than \$1,000.

Mr. GREEN of Iowa. If I correctly understand the gentleman's amendment, the purpose is to exempt all of these lighter trucks that are operated for the owner's own use and not used to carry freight commercially.

Mr. McLAUGHLIN of Michigan. Yes; my own view of the matter is, and the opinion of a great many with whom I have talked is, that the exemption ought to be given to the trucks and automobile wagons that are used by the people themselves exclusively for their own use and benefit, excepting the very large and very expensive ones that are largely used commercially. This would include practically all of the farmers' autos, all of the grocers', the butchers', and other dealers in a town, all except the great wholesalers and coal dealers in the cities who use very heavy and expensive cars, and the estimate is that it would give relief to 90 per cent of those who are using automobile trucks and automobile wagons for their own use.

Mr. GREEN of Iowa. And then the gentleman reduces the tax on accessories by one-half.

Mr. McLAUGHLIN of Michigan. Yes; but that is another item.

Mr. GARNER of Texas. How much is the loss on accessories and tires?

Mr. McLAUGHLIN of Michigan. My proposition is to reduce the tax on accessories, parts, repairs, and so forth, from 5 per cent to 2½ per cent. The amount collected under that item last year was \$40,875,000. One-half would be a reduction of \$20,437,500.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GARNER of Texas. Mr. Chairman, I ask unanimous consent that he may have five minutes more.

The CHAIRMAN. Is there objection?

Mr. DYER. Mr. Chairman, reserving the right to object, I would inquire of the gentleman who is in charge of the committee how long he expects to run this evening? I think this a very important matter.

Mr. GREEN of Iowa. We expect to get through with the automobile taxes.

Mr. DYER. I think the Members generally ought to have an opportunity to discuss these items. The Ways and Means Committee spent a great deal of time upon them. I think we ought to have an opportunity to discuss them and not have the matter jammed through simply after conferring with the chairman of the committee and the ranking member on the other side.

Mr. GREEN of Iowa. Oh, the conference has been with the whole committee.

Mr. DYER. This is one of the largest industries in the country and involves a great deal of important matter and discussion. I do not think we ought to continue at this hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. DYER. I object.

Mr. GARNER of Texas. Mr. Chairman, I ask for recognition.

Mr. DYER. I withdraw my objection, Mr. Chairman.

The CHAIRMAN. Without objection, the gentleman from Michigan will proceed for five minutes.

There was no objection.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. GARNER of Texas. Let me ask the gentleman from Michigan, so that the committee may understand the situation. Apparently the House desires to consider the question of the reduction of taxes on autotricks and parts. If I understand the gentleman from Michigan, he has conferred with his colleague [Mr. CLANCY], also with the gentleman from Iowa [Mr. GREEN], and with other members of the Committee on Ways and Means. It seems to be the unanimous agreement among these gentlemen, as well as the manufacturers of these automobiles and their representatives, that we adopt the gentleman's amendment, which will reduce the tax on trucks and wagons on a basis of \$1,000 and under, and to cut the tax on tires and accessories in half, which will reduce the revenue about \$23,000,000. Is that correct?

Mr. McLAUGHLIN of Michigan. That is correct.

Mr. GARNER of Texas. If that is agreeable to the committee, we could avoid a great deal of delay and debate if we would adopt this amendment and go on home. The idea has been to get through with these things this afternoon so that we could start on something else to-morrow.

Mr. WINGO. But we are not going to have any session to-morrow.

Mr. GARNER of Texas. Oh, then we could start in on Thursday without having three or four hours' debate. If the agreement of the committee is that we can reduce these taxes by \$23,000,000, surely we can get through with this tax to-night. [Cries of "Vote!"]

Mr. KINDRED. Mr. Chairman, will the gentleman from Michigan yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. KINDRED. My district is very much interested in the automobile industry. I understand the gentleman will exempt truck chassis which sell for \$1,000 or under. A great many users of trucks buy the trucks without the chassis. Would they be exempted?

Mr. McLAUGHLIN of Michigan. We exempt trucks and wagons with chassis which sells for less than \$1,000.

Mr. KINDRED. Suppose the chassis is not sold and the truck is sold?

Mr. McLAUGHLIN of Michigan. Oh, there is always a chassis with a truck.

Mr. KINDRED. Some have a chassis on hand, but not the body.

Mr. McLAUGHLIN of Michigan. I think they might not get the exemption.

Mr. LONGWORTH. Mr. Chairman, will the gentleman from Michigan yield to me for the purpose of making a request for unanimous consent?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. LONGWORTH. Mr. Chairman, I am impressed with what the gentleman from Texas [Mr. GARNER] has said. To-morrow we meet for memorial services of the late President and we will adjourn immediately after that. It seems to me that we can save a great deal of time if we are agreed on what we are going to do, and therefore I ask unanimous consent that the vote may be had upon this paragraph and all amendments thereto in 10 minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that all debate upon the paragraph and all amendments thereto close in 10 minutes. Is there objection?

Mr. CLANCY. Mr. Chairman, I reserve the right to object with the understanding that I get an opportunity to speak for from three to five minutes. I am the man who made this agreement on this question.

Mr. DAVEY. Mr. Chairman, I have an amendment.

The CHAIRMAN. Is there objection?

Mr. DYER. Mr. Chairman, reserving the right to object, may I inquire of the gentleman from Iowa if this unanimous-consent request would include subparagraph (8)?

Mr. GREEN of Iowa. Yes; but if the gentleman cares about it, I should think the gentleman from Ohio [Mr. LONGWORTH] would be willing to omit that.

The CHAIRMAN. Is there objection?

Mr. DYER. I object.

The CHAIRMAN. Objection is heard.

Mr. CLANCY. Mr. Chairman, regular order!

The CHAIRMAN. The regular order is that the gentleman from Michigan [Mr. McLAUGHLIN] is recognized.

Mr. REED of New York. Mr. Chairman—

Mr. DENISON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DENISON. I would like to know who has the floor and who is entitled to it?

The CHAIRMAN. The gentleman from Michigan [Mr. McLAUGHLIN] has two minutes remaining, if he cares to use them.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield to me?

Mr. McLAUGHLIN of Michigan. I yield to the gentleman from Ohio. I do not care to occupy the floor at all, except to answer questions.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that all debate on paragraphs 1, 2, and 3, and all amendments thereto, close at 6 o'clock.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I object.

Mr. CLANCY. Mr. Chairman, I think I could clarify the situation if I got the floor.

Mr. McLAUGHLIN of Michigan. I do not care to occupy the floor, except to answer questions.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on paragraphs 1, 2, and 3, and all amendments thereto, close at 6 o'clock.

Mr. DENISON. Mr. Chairman, I want to amend that motion by making it 6.30.

The CHAIRMAN. The gentleman from Iowa moves that all debate on subsections 1, 2, and 3, and all amendments thereto, close at 6 o'clock, and the gentleman from Illinois [Mr. DENISON] moves to amend that motion by making it 6.30.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I desire to be heard in opposition to the motion.

Mr. TILSON. It is not debatable.

Mr. O'CONNOR of Louisiana. I would like to have the Chair rule on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DENISON] to the motion of the gentleman from Iowa.

The question was taken, and the amendment to the motion was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Iowa.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I demand recognition for a moment. I put to the Chair a parliamentary inquiry, and the Chair absolutely ignored the inquiry I made. I believe I am entitled to that courtesy to be heard from the Chair and not some one of the mutual admiration society on the floor of this House. [Laughter.]

The CHAIRMAN. The Chair did not understand the gentleman from Louisiana when he addressed the Chair with a parliamentary inquiry.

Mr. O'CONNOR of Louisiana. I said enough to lead the Chair to believe to the contrary.

The CHAIRMAN. The gentleman will realize that in the existing confusion here it is sometimes difficult to understand exactly what the parliamentary situation is. Section 6 of Rule XXIII is as follows:

The committee may, by the vote of a majority of the Members present, at any time after the five minutes' debate has begun upon proposed amendments to any section or paragraph of a bill, close all debate upon such section or paragraph or, at its election, upon the pending amendments only (which motion shall be decided without debate); but this shall not preclude further amendment, to be decided by debate.

So that there is no further debate.

Mr. DAVEY. Mr. Chairman, I offer a further amendment to the motion that the debate close at 6.15.

The CHAIRMAN. The gentleman from Ohio moves an amendment to the motion of the gentleman from Iowa that the debate close at 6.15 on these three subsections. The question is on agreeing to the amendment of the gentleman from Ohio to the motion of the gentleman from Iowa [Mr. GREEN].

The question was taken, and the amendment to the motion was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Iowa that all debate on the subsections named and all amendments thereto close at 6 o'clock.

The motion was agreed to.

Mr. McKEOWN. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. CLANCY. Mr. Chairman—

Mr. DENISON. Mr. Chairman, I offer a substitute to the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McKEOWN. I mean to make the point of no quorum.

Mr. CLANCY. Mr. Chairman, unless I get recognition pretty soon I will make the point of no quorum.

Mr. TILSON. I make the point of order, Mr. Chairman, that the point of order is dilatory, because it is evident that there is a quorum present.

The CHAIRMAN. The gentleman from Oklahoma [Mr. McKEOWN] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-eight Members are present—a quorum.

Mr. DYER. Mr. Chairman, I move that the committee do now rise.

Mr. RAMSEYER. I make the point of order, Mr. Chairman, that the gentleman from Illinois has the floor and can not be taken off the floor by a motion to rise.

The CHAIRMAN. Yes. The gentleman from Illinois [Mr. DENISON] has the floor, and can not be taken off the floor by a motion that the committee rise. The Clerk will report the substitute offered by the gentleman from Illinois [Mr. DENISON].

The Clerk read as follows:

Amendment offered by Mr. DENISON as a substitute for the amendment offered by Mr. McLAUGHLIN of Michigan: Page 166, line 11, strike out all after line 11 down to and including line 24, and substitute in lieu thereof the following:

"(1) Automobiles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 3 per cent of the amount by which the price for which they are sold or leased exceeds \$1,000 and does not exceed \$3,000;

"(2) Automobiles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 5 per cent of the amount by which the price for which they are sold or leased exceeds \$3,000;

Mr. DENISON. Mr. Chairman, I have not consulted either the gentleman from Texas [Mr. GARNER] or anyone else about this amendment I have offered. I am simply presenting it to the committee for whatever it may be worth.

In effect this substitute strikes out of the bill the provision that levies a tax on automobile trucks and automobile wagons, and removes the tax entirely from those, and it also strikes out of the bill paragraph No. 3, the tax on automobile parts and accessories, and leaves the tax 3 per cent on the sale price of automobiles that are sold for between \$1,000 and \$3,000 and 5 per cent on automobiles the sale price of which is above \$3,000. If my amendment is adopted, all taxes would be removed from automobiles that sell for less than \$1,000.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield there?

Mr. DENISON. Yes.

Mr. NEWTON of Minnesota. I wanted to get an idea from the gentleman as to how this affects the revenue.

Mr. DENISON. I have read the hearings carefully, and I get what information I have from the printed hearings. By eliminating paragraph 3 from the bill and repealing all taxes on automobile parts and accessories we would lose about \$40,000,000 a year in revenues. Eliminating the tax on automobile trucks and wagons would cost us about \$11,700,000 in revenues. By removing the taxes entirely from automobiles that sell for less than \$1,000 and by reducing the taxes to 3 per cent on automobiles that sell for more than \$1,000 and less than \$3,000 would cost us an indefinite amount of revenue. I have no estimate of the exact amount. The present tax on automobiles yields about \$92,000,000 in revenues. Possibly my amendment would reduce that amount by about one-fourth or one-fifth.

Mr. COOPER of Wisconsin. Will the gentleman read the language which he says will remove the tax on automobile parts?

Mr. DENISON. I strike it out of the bill entirely. My idea is this: I think the time has come when Congress ought to quit trying to run the Government on automobiles. I feel we ought to take all taxes off of trucks and automobile wagons; they are not luxuries any more; they are things which people have to have to make a living; they are used to carry children to and from schools, and they are used in businesses of different kinds; they are used on the farms, around the factories, and for transportation purposes, and it seems to me Congress ought to try to find some way of financing the Government otherwise than by pyramiding taxes on automobile trucks and automobile wagons, and on automobile parts and accessories.

Mr. GARNER of Texas and Mr. CLANCY rose.

Mr. DENISON. Mr. Chairman, I believe I have the floor.

Mr. GARNER of Texas. I thought the gentleman had yielded the floor.

Mr. DENISON. I had not intended to do so until my time was up. I think the most indefensible tax in this whole bill is the tax on trucks and automobiles and automobile parts.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, would it be in order to prefer a unanimous-consent request?

Mr. DENISON. Mr. Chairman, I would like to know who has the floor. The gentleman from Texas has occupied about half the time to-day and I would like to have five minutes.

Mr. NEWTON of Minnesota. This ought not to come out of the gentleman's time.

Mr. KNUTSON. The gentleman has been interrupted during almost all of his time, and the gentleman has two minutes of actual time left.

Mr. DENISON. Mr. Chairman, I started to say that if there is any justification at all for continuing the tax on automobiles when they are sold, I can not see any justification at all for longer imposing this tax on repair parts. [Applause.] And that part of this bill ought to be stricken out entirely, because Congress ought not to try to finance the Government on the people's necessities and misfortunes.

There are now 15,000,000 automobiles in use in this country and 4,500,000 of these are owned by farmers. Possibly three or four times that many persons are using them for pleasure or recreation or for business or professional purposes. When the country was at war it was all right to levy a heavy tax on that many people. But we ought not to do so now. If you will adopt my amendment you will remove a heavy tax burden from a great number of our people who are least able and ought not to longer have to bear it.

Mr. DYER. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. DYER) there were—ayes 44, noes 76.

Mr. DYER. Mr. Chairman, I ask for tellers.

Mr. CRISP. Mr. Chairman, I make the point of order that the motion is dilatory and is made for the purpose of cutting off debate and preventing the gentleman from Michigan [Mr. CLANCY] from debating the amendment. There is a question of honor involved in it, because an agreement was made with the gentleman.

Mr. CLANCY. I made an honorable agreement with you gentlemen.

The CHAIRMAN. Those in favor of ordering tellers will rise and stand until counted. [After counting.] A sufficient number have risen, and tellers are ordered.

The CHAIRMAN appointed as tellers Mr. DYER and Mr. CRISP.

Mr. LONGWORTH. Mr. Chairman, may I make a unanimous-consent request? I ask unanimous consent that notwithstanding the fact that a time limit has been fixed, the gentleman from Michigan [Mr. CLANCY] may be permitted to proceed for five minutes.

The CHAIRMAN. The gentleman from Ohio, during a division of the committee, asks unanimous consent that the gentleman from Michigan [Mr. CLANCY] may proceed for five minutes notwithstanding the time limit fixed. Is there objection?

Mr. YOUNG. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from North Dakota objects. Mr. GARRETT of Tennessee. Mr. Chairman, is it in order to propound a parliamentary inquiry pending the vote?

The CHAIRMAN. The Chair is rather of opinion that a parliamentary inquiry would not be proper while the Members are passing through the tellers. The Chair has already ordered the tellers to take their places and the ayes to pass through. The ayes will pass between the tellers and be counted.

The committee again divided; and the tellers reported—ayes 22, noes 36.

So the motion was rejected.

Mr. OLDFIELD. Mr. Chairman, has all debate closed under this motion?

The CHAIRMAN. Under the motion the debate closed at 6 o'clock.

Mr. OLDFIELD. Mr. Chairman, I would like to ask unanimous consent to proceed for two minutes.

Mr. BEGG. I object.

Mr. MOORE of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for two minutes. Is there objection?

Mr. BEGG. I object.

The CHAIRMAN. The Chair hears none.

Mr. OLDFIELD. Mr. Chairman—

The CHAIRMAN. The committee will be seated.

Mr. BEGG. Mr. Chairman, I objected twice to that unanimous-consent request.

The CHAIRMAN. That may be true, but the Chair did not hear it.

Mr. BEGG. I will submit it to the House.

Mr. OLDFIELD. I have the floor, Mr. Chairman.

Mr. BEGG. Mr. Chairman, I make the point of order—

The CHAIRMAN. If the gentleman from Ohio says that he was objecting, the Chair will put the request again.

Mr. BEGG. I will leave it to the House. I will not even say so.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for two minutes. Is there objection?

Mr. BEGG. I object.

Mr. MOORE of Virginia. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Virginia. I make this inquiry, Mr. Chairman. It was voted to close the debate at a certain time, but it was perfectly obvious that at least five minutes of that time was taken up in conversation between Members and the Chair. That being the case, does not the Chair think it is within the spirit of what the House intended that the debate should be extended at least five minutes? [Cries of "No!" "No!"]

The CHAIRMAN. The Chair will state the situation. The motion was stated very plainly that all debate on these three subsections close at a definite hour, namely, 6 o'clock. It was not 10 minutes or 15 minutes or any other time but a certain hour. That hour having arrived, under the Chair's construction of it, the time for debate has expired.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. CLANCY] may proceed for five minutes.

Mr. FREE. I object.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that I may proceed, not upon the subject, for three minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. YOUNG. I object.

Mr. BEGG. I object.

Mr. LONGWORTH. I hope no gentleman on this side of the aisle will object to the leader of the minority having time.

Mr. BEGG. I will reserve the right to object.

Mr. YOUNG. I withdraw the objection.

Mr. BEGG. I reserve the right to object.

Mr. YOUNG. Is it about this parliamentary situation?

Mr. GARRETT of Tennessee. It is.

Mr. YOUNG. Then I object.

Mr. CRISP. Mr. Chairman, a parliamentary inquiry. I voted in the affirmative to close debate at 6 o'clock. This is the day that motion was made; is it in order for me to enter a motion to reconsider the vote by which the committee closed debate at 6 o'clock?

The CHAIRMAN. Not in Committee of the Whole.

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry. I made an honorable agreement with the dean of the Michigan delegation to give him credit for the battle I have carried on for the repeal of these taxes. The understanding was that I would be allowed a few minutes to back him up. This honorable agreement—

Mr. BEGG. Regular order, Mr. Chairman.

The CHAIRMAN. The regular order is asked.

Mr. CLANCY. All I wanted to do with the two minutes—

The CHAIRMAN. The question is on the substitute offered by the gentleman from Illinois [Mr. DENISON].

The question was taken, and the motion was not agreed to.

Mr. DAVEY. Mr. Chairman, I have an amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, I move the committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee that the committee do now rise.

The question was taken; and on a division (demanded by Mr. LONGWORTH) there were—ayes 82, noes 58.

Mr. GREEN of Iowa. Tellers, Mr. Chairman.

Tellers were ordered, and the Chair appointed as tellers Mr. GREEN of Iowa and Mr. GARRETT of Tennessee.

The committee again divided; and the tellers reported that there were 86 ayes and 59 noes.

So the motion to rise was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6715, the revenue bill, and had come to no resolution thereon.

DISPENSING WITH CALENDAR WEDNESDAY.

Mr. LONGWORTH. Mr. Speaker, I am not entirely convinced as to the order for the memorial to-morrow and whether it included dispensing with Calendar Wednesday. Therefore to make certain I ask unanimous consent that the business on Calendar Wednesday, to-morrow, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOOR OF MEETING ON THURSDAY NEXT.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that when the House adjourn to-morrow it adjourn to meet on Thursday at 11 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. GARNER of Texas. Reserving the right to object, I want to ask the gentleman from Iowa and the gentleman from Ohio when they hope to conclude the consideration of this bill?

Mr. GREEN of Iowa. On Friday.

Mr. GARNER of Texas. I would like to have some sort of an agreement, for we are entitled to have as much knowledge on this side as to when you are to conclude the consideration of it as you have. I do not ask any advantage, I am asking this for the purpose of keeping you from taking advantage.

Mr. LONGWORTH. I will say that the gentleman has not so much difficulty in keeping his colleagues here as we seem to have on this side.

Mr. GARNER of Texas. I agree that we are a little more loyal.

Mr. LONGWORTH. It is not a question of loyalty, but because you are tied up tighter.

Mr. GREEN of Iowa. I will agree that there shall be no vote taken before Friday.

Mr. GARNER of Texas. But do you expect to have a vote on Friday?

Mr. GREEN of Iowa. I hope so.

Mr. GARNER of Texas. With that statement, Mr. Speaker, I have no objection to meeting at 11 o'clock.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED.

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

S. 2189. An act granting the consent of Congress to the State highway department of North Carolina to construct a bridge across the Pee Dee River in North Carolina between Anson and Richmond Counties;

H. R. 3198. An act to authorize the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bridge across the Chattahoochee River at or near Eufaula, Ala., connecting Barbour County, Ala., and Quitman County, Ga.;

S. J. Res. 83. Joint resolution for the appointment of one member of the Board of Managers of the National Home for Disabled Volunteer Soldiers; and

S. J. Res. 84. Joint resolution making appropriation for contingent expenses of the United States Senate, fiscal year 1924.

THE IMMIGRATION BILL.

Mr. KIESS. Mr. Speaker, I present a privileged resolution from the Committee on Printing.

The Clerk read as follows:

House Resolution 185.

Resolved, That in accordance with paragraph 3 of section 1 of the printing act approved March 1, 1907, the Committee on Immigration and Naturalization of the House of Representatives be, and is hereby, authorized and empowered to have printed 600 additional copies of the hearings before said committee of the Sixty-eighth Congress, first session, on bills relating to restriction of immigration.

The resolution was agreed to.

ADJOURNMENT.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 27, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

378. A communication from the President of the United States, transmitting a communication from the Secretary of the Treasury and the Acting Director of the Bureau of the Budget, submitting a claim of the Powell Grocery Co., Asheville, N. C., against the United States, for damages caused by the negligence of an employee of the Public Health Service in the sum of \$201.25, which requires an appropriation for its payment (H. Doc. No. 206); to the Committee on Appropriations and ordered to be printed.

379. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Glencove Creek, N. Y. (H. Doc. No. 207); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

380. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation, "that the Secretary of War be, and he is hereby, authorized and directed to transfer to the Treasury Department for quarantine purposes that portion of La Costa Island, Fla., occupied by the Treasury Department as a quarantine station under revocable license from the War Department dated January 27, 1903"; to the Committee on Military Affairs.

381. A letter from the Secretary of War, transmitting a draft of proposed legislation "for the relief of the Keene Chemical Co."; to the Committee on Claims.

382. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Fortescue Creek, N. J.; to the Committee on Rivers and Harbors.

383. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Tillamook River, Oreg.; to the Committee on Rivers and Harbors.

384. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Frankfort Harbor, Mich. (H. Doc. No. 208); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

385. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Delaware River from Trenton, N. J., to Easton, Pa.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. JOST: Committee on the District of Columbia. H. R. 3689. A bill to amend the insurance laws of the District of Columbia; with amendments (Rept. No. 231). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 6352. A bill to authorize the Postmaster General to fix the fees chargeable for registration of mail matter, and for other purposes; with amendments (Rept. No. 232). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBSON: Committee on Pensions. H. R. 5934. A bill to pension soldiers and sailors of the war with Spain, the Philippine insurrection, or the China relief expedition; without amendment (Rept. No. 233). Referred to the Committee of the Whole House on the state of the Union.

Mr. PERLMAN: Committee on the Judiciary. H. R. 3318. A bill to provide for the appointment of two additional judges of the District Court of the United States for the Southern District of New York; without amendment (Rept. No. 234). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WEFALD: A bill (H. R. 7297) to authorize the acquisition of a site and the erection of a Federal building at Thief River Falls, Minn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7298) to authorize the acquisition of a site and the erection of a Federal building at Detroit, Minn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7299) to authorize the acquisition of a site and the erection of a Federal building at Hallock, Minn.; to the Committee on Public Buildings and Grounds.

By Mr. BUCKLEY: A bill (H. R. 7300) for the purchase of a post-office site and the erection thereon of a suitable building at Maywood, Ill.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7301) for the purchase of a site and the erection thereon of a public building at Oak Park, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. SEARS of Florida: A bill (H. R. 7302) to authorize the establishment of a Coast Guard station on the coast of Florida at or in the vicinity of Lake Worth Inlet; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER: A bill (H. R. 7303) to increase pensions of persons who served in the Army, Navy, or Marine Corps of the United States during the Civil War, and of widows and former widows of such persons, and Army nurses of said war; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 7304) to amend paragraph (c) of section 2 of the act approved May 26, 1922, and known as the narcotic drugs import and export act, and for other purposes; to the Committee on Ways and Means.

By Mr. SABATH: A bill (H. R. 7305) to purchase a site west of the Chicago River for the erection of a post-office building and to erect a post-office building thereon in the city of Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. KUNZ: A bill (H. R. 7306) to purchase a site west of the Chicago River for the erection of a post-office building and to erect a post-office building thereon in the city of Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. WINSLOW: A bill (H. R. 7307) to impose civil liability under certain circumstances upon owners of motor vehicles operated in the Canal Zone; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7308) to provide for the method of measurement of vessels using the Panama Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. MOREHEAD: A bill (H. R. 7309) to provide for the acquisition of a site and the erection of a Federal building at Pawnee City, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. FULMER: A bill (H. R. 7310) to prevent bucketing and illegal practices in bucket shops and exchanges in buying and selling stocks, bonds, debentures, cotton, corn, wheat, etc., to be known as United States antibucketing act; to the Committee on the Judiciary.

By Mr. FENN: A bill (H. R. 7311) for the registration of motor vehicles; to the Committee on Ways and Means.

By Mr. LANGLEY: A bill (H. R. 7312) to increase the pensions of those who have lost limbs or have been totally disabled in the same in the military or naval service of the United States; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 7313) to authorize the acquisition of a site and the erection thereon of a Federal building at Lincoln, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7314) to authorize the acquisition of a site and the erection thereon of a Federal building at Kings Mountain, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7315) to authorize the acquisition of a site and the erection thereon of a Federal building at Newton, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7316) to authorize the acquisition of a site and the erection thereon of a Federal building at Morganton, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. HARRISON: A bill (H. R. 7317) to provide for the erection of a post-office building at Woodstock, Va.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7318) to provide for the erection of a post-office building at Luray, Va.; to the Committee on Public Buildings and Grounds.

By Mr. FAIRFIELD: A bill (H. R. 7319) to amend the organic act of the Philippine Islands, approved August 29, 1916; to the Committee on Insular Affairs.

By Mr. JOHNSON of South Dakota: A bill (H. R. 7320) to amend the acts entitled "The war risk insurance act," "An act to establish a Veterans' Bureau," and "The vocational training act"; to the Committee on World War Veterans' Legislation.

By Mr. BECK: A bill (H. R. 7321) to incorporate the United States Agricultural Cooperative Marketing Association, to provide for a national cooperative marketing system, and for other purposes; to the Committee on Agriculture.

By Mr. STALKER: A bill (H. R. 7322) to enlarge and extend the post-office building at Ithaca, N. Y.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7323) to authorize the enlargement, extension, and remodeling of the Federal building at Elmira, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. McKEOWN: A bill (H. R. 7324) to carry into effect the twelfth article of the treaty between the United States and the Loyal Shawnee and Loyal Absentee Shawnee Tribes of Indians proclaimed October 14, 1868; to the Committee on Indian Affairs.

By Mr. ANDREW: Concurrent resolution (H. Con. Res. 13) recommending that appropriate durable crosses, giving the same general effect as the wooden crosses, be designed and prepared for the graves in the American military cemeteries overseas, and that the present crosses be retained in those cemeteries until such crosses can be provided and erected; to the Committee on Military Affairs.

By Mr. ROSENBLOOM: Resolution (H. Res. 195) providing for an assistant clerk to the Committee on Enrolled Bills; to the Committee on Accounts.

By Mr. LITTLE: Resolution (H. Res. 196) offering a reward of \$500, to be paid out of the contingent funds of the House of Representatives, for the arrest and conviction of the party who struck Mrs. Carrie Harris by automobile as she was getting off a street car on the morning of February 26, 1924; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOK: A bill (H. R. 7325) granting a pension to Louisa Pennisten; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 7326) granting a pension to Lillian Ramsdell; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 7327) granting a pension to Elizabeth Couch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7328) granting a pension to Polly Garbison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7329) granting a pension to Edith Vore; to the Committee on Invalid Pensions.

By Mr. DOYLE: A bill (H. R. 7330) granting an increase of pension to Michael Quinlan; to the Committee on Pensions.

By Mr. FAUST: A bill (H. R. 7331) granting a pension to Herman Mantler; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 7332) granting a pension to Augusta M. Moseley; to the Committee on Invalid Pensions.

By Mr. GLATFELTER: A bill (H. R. 7333) granting a pension to Lizzie Krebs; to the Committee on Invalid Pensions.

By Mr. HOWARD of Oklahoma: A bill (H. R. 7334) for the relief of Carl Puckett; to the Committee on Indian Affairs.

By Mr. HUDSPETH: A bill (H. R. 7335) granting a pension to Lemuel Gunter; to the Committee on Pensions.

By Mr. JOHNSON of Kentucky: A bill (H. R. 7336) granting a pension to James Self; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 7337) granting a pension to Reka Butts; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 7338) authorizing the Secretary of War to donate to the city of Great Falls, Mont., two German cannons or fieldpieces; to the Committee on Military Affairs.

By Mr. LEE of Georgia: A bill (H. R. 7339) granting an increase of pension to Charles S. Kinman; to the Committee on Pensions.

By Mr. LITTLE: A bill (H. R. 7340) for the relief of Charles W. Peppers; to the Committee on Claims.

By Mr. LONGWORTH: A bill (H. R. 7341) granting a pension to Harrett Schell; to the Committee on Pensions.

By Mr. MacGREGOR: A bill (H. R. 7342) granting a pension to Dorothy D. Grabenstatter; to the Committee on Pensions.

By Mr. MAGEE of Pennsylvania: A bill (H. R. 7343) for the relief of Charles Spanik; to the Committee on Claims.

By Mr. OLDFIELD: A bill (H. R. 7344) to authorize the National Society United States Daughters of 1812 to place a bronze tablet on the Francis Scott Key Bridge; to the Committee on the Library.

By Mr. PERLMAN: A bill (H. R. 7345) for the relief of Edward C. Roser; to the Committee on Claims.

By Mr. ROACH: A bill (H. R. 7346) granting a pension to Elizabeth Busick; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 7347) granting a pension to Delnora Duell; to the Committee on Invalid Pensions.

By Mr. SULLIVAN: A bill (H. R. 7348) granting an increase of pension to John M. Gartrell; to the Committee on Pensions.

By Mr. VARE: A bill (H. R. 7349) to award a medal of honor to Capt. Jacques M. Swaab; to the Committee on Military Affairs.

By Mr. WILLIAMS of Texas: A bill (H. R. 7350) for the relief of J. H. Wallace; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1359. By Mr. ALDRICH: Protest of What Cheer Lodge, No. 183, I. O. B. S., of Providence, R. I., against passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1360. By Mr. ANDREW: Petition of Eliot School Alumni Association, of Boston, Mass., protesting against passage of Johnson immigration bill; to the Committee on Immigration and Naturalization.

1361. Also, petition of Sisterhood and the Men's Club of the Congregation Beth Hamadrash Hagadol, Crawford Street, Roxbury, Mass., protesting against passage of Johnson immigration bill; to the Committee on Immigration and Naturalization.

1362. By Mr. ARNOLD: Petition of sundry citizens of Wabash County, Ill., favoring a repeal of the war tax on motor vehicles and repair parts, etc.; to the Committee on Ways and Means.

1363. By Mr. BLOOM: Petition of John J. Boylan, secretary New York Letter Carriers' Association, of New York, N. Y., indorsing Edge-Kelly bill; to the Committee on the Post Office and Post Roads.

1364. By Mr. COOPER of Wisconsin: Petition of the University Cabinet of the National University in the city of Manila, P. I., favoring the passage of joint resolution introduced in the House of Representatives by Mr. Cooper of Wisconsin, entitled "Joint resolution to enable the people of the Philippine Islands to form a constitution and national government, and to provide for the recognition of their independence"; to the Committee on Insular Affairs.

1365. By Mr. CRAMTON: Petition of Constance Bement, librarian, and other employees of the public library at Port Huron, Mich., urging passage of the Edge-Kelly bill (H. R. 4123), a bill providing for an increase and readjustment of the salaries of post-office employees; to the Committee on the Post Office and Post Roads.

1366. Also, petition of Mrs. Austa M. Cox, State chairman of conservation, Michigan State Federation of Women's Clubs, Ann Arbor, Mich., on behalf of her organization, urging passage of the bill to establish a national wild life refuge on the upper Mississippi River; to the Committee on Agriculture.

1367. Also, petition of J. F. Powley and other residents of Deckerville, Mich., urging more stringent restrictions of immigration; to the Committee on Immigration and Naturalization.

1368. Also, petition of D. C. McLean and other residents of Deckerville, Mich., in behalf of more stringent restriction of immigration; to the Committee on Immigration and Naturalization.

1369. By Mr. FENN: Petition to accompany House bill 7311, for the registration of motor vehicles; to the Committee on Ways and Means.

1370. By Mr. FULLER: Petition of the Commercial Travelers' Mutual Accident Association of America, favoring reduction of drop-letter postage to 1 cent, increase of second-class rates, and legislation requiring each class of mail to pay cost of service; to the Committee on the Post Office and Post Roads.

1371. By Mr. GALLIVAN: Petition of Amshey Dowig Lodge, No. 354, I. O. B. A., Boston, Mass., protesting against Johnson immigration bill; to the Committee on Immigration and Naturalization.

1372. Also, petition of Joseph Middleby, jr. (Inc.), Boston, Mass., recommending early and favorable consideration of House bill 5552, which provides salary increases for postal employees; to the Committee on the Post Office and Post Roads.

1373. Also, petition of the Fish Rubber Co., Chicopee Falls, Mass., recommending repeal of subdivision 3, section 900, Title IX, of the revenue act of 1921, imposing a tax of 5 per cent on tires, inner tubes, etc.; to the Committee on Ways and Means.

1374. By Mr. GARBER: Resolution of the Rock Island Mechanical Foremen's Association, of Shawnee, Okla., condemning any effort to amend or modify or restrict the Esch-Cummings law; to the Committee on Interstate and Foreign Commerce.

1375. Also, petition from citizens of Cimarron County, Okla., for removal or reduction of nuisance and war taxes; to the Committee on Ways and Means.

1376. Also, petition of the Oklahoma Wheat Growers' Association of Enid, Okla., protesting against the McNary-Haugen bill; to the Committee on Agriculture.

1377. By the SPEAKER: Petition of 159 citizens of the town of Easthampton, Mass., favoring the passage of the adjusted compensation bill; to the Committee on Ways and Means.

1378. By Mr. KIESS: Petition of citizens of Jersey Shore, Pa., favoring House bill 2702 and Senate bill 742, proposing that all strictly military supplies be manufactured in Government-owned navy yards and arsenals and providing

for the stabilizing of production and employment in Government industrial establishments by the use of these plants for the manufacture of articles required by other departments of the Government; to the Committee on Naval Affairs.

1379. By Mr. MACGREGOR: Petition of the Montemaggiorese Republican Club, of Buffalo, N. Y., protesting against the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1380. By Mr. MORROW: Petition of Gallup Board of Education, Gallup, N. Mex., favoring the enactment of a Federal child labor law; to the Committee on the Judiciary.

1381. Also, petition of citizens of Las Cruces, N. Mex., favoring the reduction of the tax on industrial alcohol; to the Committee on Ways and Means.

1382. Also, petition of Gallup Board of Education, Gallup, N. Mex., favoring the limitation of the manufacture and distribution of habit-forming drugs; to the Committee on Interstate and Foreign Commerce.

1383. By Mr. NEWTON of Minnesota: Petition of Mr. Henry Johnstone and other citizens of Minneapolis, Minn., urging the Congress to enact into law legislation similar to that embraced in the Brookhart-Hull bill, requiring that all strictly military supplies be manufactured in Government-owned navy yards and arsenals, etc.; to the Committee on Naval Affairs.

1384. By Mr. O'CONNELL of Rhode Island: Petition of residents of Rhode Island, requesting repeal of motor-vehicle taxes; to the Committee on Ways and Means.

1385. By Mr. O'SULLIVAN: Petition of Naugatuck, Conn., Post 17, the American Legion, in favor of adjusted compensation measure; to the Committee on Ways and Means.

1386. By Mr. PATTERSON: Petition of 13 residents of Camden County, N. J., for repeal of war-excite taxes, including those on motor vehicles; to the Committee on Ways and Means.

1387. By Mr. ROBINSON of Iowa: Petition of employees of the Chicago, Rock Island & Pacific Railroad, Waterloo, Iowa, favoring the transportation act and asking that it be allowed to function without interference until it is proven that it is not a good piece of legislation; to the Committee on Interstate and Foreign Commerce.

1388. By Mr. SINCLAIR: Petition of Mississippi Division, Farm Labor Union of America, favoring the enactment of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

1389. Also, petition of Mr. Henry W. Gill, deputy collector in charge of customs, and 11 others in Government service at Portal, N. Dak., in favor of a bill to abolish the personnel classification board and transfer its functions to the Civil Service Commission; to the Committee on the Civil Service.

1390. Also, petition of 68 residents of Crosby, N. Dak., and vicinity, in favor of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

SENATE.

WEDNESDAY, February 27, 1924.

The Senate met at 11.45 o'clock a. m.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we bless Thee for every day given unto us and for all of the privileges it may confer upon us. Help us to understand much more clearly the privilege of service and how we can best honor Thee and serve our country. Hear us as we anticipate further services in connection with a sad ceremony of thought and of serious contemplation. The Lord, our God, lead us always, through Christ Jesus. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. LODGE. Mr. President, I make the point of no quorum. The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Dill	Frazier
Ball	Colt	Edge	George
Bayard	Copeland	Edwards	Gerry
Brandeggee	Couzens	Elkins	Gooding
Brookhart	Cummins	Ernst	Hale
Broussard	Curtis	Ferris	Harris
Bruce	Dale	Fess	Harrison
Cameron	Dial	Fletcher	Heflin

Howell	McNary	Ransdell	Stephens
Johnson, Minn.	Mayfield	Reed, Pa.	Swanson
Jones, N. Mex.	Moses	Robinson	Trammell
Jones, Wash.	Neely	Sheppard	Walsh, Mont.
Kendrick	Norbeck	Shipstead	Warren
Keyes	Norris	Shortridge	Watson
Ladd	Oddie	Simmons	Weller
La Follette	Overman	Smith	Wheeler
Lenroot	Pepper	Smoot	Willis
Lodge	Philpotts	Spencer	
McKellar	Pittman	Stanfield	
McKinley	Ralston	Stanley	

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, there is a quorum present.

MEMORIAL ADDRESS ON THE LATE PRESIDENT HARDING.

Mr. LODGE. Mr. President, in order to fulfill the terms of the concurrent resolution adopted by the Senate and the House by attending the ceremonies about to take place in memory of the late President Harding, I move, before we proceed to the Hall of the House, that the Senate adjourn.

The motion was agreed to; and the Senate (at 11.55 o'clock a. m.) adjourned until to-morrow, Thursday, February 28, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, February 27, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, hallowed be Thy name, lift upon us all the light of Thy holy countenance; establish Thou the work of our hands, the work of our hands establish Thou it. Through Christ. Amen.

MEMORIAL OF WARREN GAMALIEL HARDING.

The SPEAKER. The Clerk will read the resolution governing our action to-day.

The Clerk read as follows:

Concurrent Resolution 9.

Be it resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall assemble in the Hall of the House of Representatives on the day and hour fixed by the joint committee, to wit, Wednesday, February 27, 1924, at 12 o'clock meridian, and that in the presence of the two Houses there assembled an address upon the life and character of Warren G. Harding, late President of the United States, be pronounced by Hon. Charles E. Hughes, and that the President pro tempore of the Senate and the Speaker of the House of Representatives be requested to invite the President and the two ex-Presidents of the United States, the former Vice President, the heads of the several departments, the judges of the Supreme Court, the ambassadors and ministers of foreign governments, the governors of the several States, the General of the Armies, and the Chief of Naval Operations to be present on that occasion; and be it further

Resolved, That the President of the United States be requested to transmit a copy of these resolutions to Mrs. Harding and to assure her of the profound sympathy of the two Houses of Congress for her deep personal affliction and of their sincere condolence for the late national bereavement.

The following was the official program of arrangements prepared by the joint committee of the two Houses:

MEMORIAL SERVICES FOR WARREN G. HARDING, FEBRUARY 27, 1924.

PROGRAM OF ARRANGEMENTS.

The Capitol will be closed on the morning of the 27th day of February, 1924, to all except Members and officers of Congress.

At half past 10 o'clock the east door leading to the rotunda will be opened to those to whom invitations have been extended under the joint resolution of Congress by the Presiding Officers of the two Houses, and to those holding tickets of admission to the galleries.

The Hall of the House of Representatives will be opened for the admission of those who have invitations, who will be conducted to the seats assigned to them, as follows:

The President of the United States and his Cabinet will occupy seats in front of and on the left of the Speaker.

The Chief Justice and Associate Justices of the Supreme Court will occupy seats in front of and on the right of the Speaker.

The General of the Armies and the Chief of Naval Operations will occupy seats back of the President and his Cabinet, on the left of the Speaker.

The ambassadors and ministers of foreign governments will occupy seats on the left of the Speaker in section A west.